

**THE CITY OF HUNTINGTON**

**SEWER REFUNDING REVENUE BONDS, SERIES 2013 A**

**TABLE OF CONTENTS**

**BASIC DOCUMENTS**

1. Bond Ordinance
2. A. Supplemental Resolution  
B. Certificate of Determinations
3. Tax Compliance Policy
4. Cross-Receipt for Bond and Bond Proceeds
5. Direction to Authenticate and Deliver Bonds
6. Specimen Bond

**OPINIONS OF COUNSEL**

7. Approving Opinion of Steptoe & Johnson, Bond Counsel
8. Opinion of Counsel to Issuer

**CERTIFICATES**

9. General Certificate of Issuer
10. Certificate of CPA
11. Certificate as to Arbitrage
12. Certificate of Registrar
13. Certificate of Purchaser

**DOCUMENTS OF THE ISSUER**

14. Charter
15. Rules of Procedure
16. Oaths of Office of Officers and Councilmembers
17. Ordinance Creating Sanitary Board

18. Petition of the Sanitary Board
19. Sewer Rate Ordinance
20. Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing
21. Minutes on Adoption and Enactment of Sewer Rate Ordinance
22. Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing
23. Minutes on Adoption and Enactment of Bond Ordinance, Adoption of Supplemental Resolution, First Draw Resolution and Sweep Resolution
24. Municipal Bond Commission New Issue Report

**DOCUMENTS RELATING TO REFUNDING OF SERIES 2006 A BONDS**

25. Notice of Redemption of Series 2006 A Bonds
26. Receipt and Release of Series 2006 A Bonds

**MISCELLANEOUS DOCUMENTS**

27. Bank Commitment Letter
28. Bank Investment Letter
29. Internal Revenue Service Information Return (Form 8038-G) and Letter of Transmittal
30. Prepayment Agreement
31. Closing Statement
32. Consent of Water Development Authority
33. Sweep Resolution
34. Prior Ordinances
  - A. Series 1997
  - B. Series 1999
  - C. Series 2000 A
  - D. Series 2007
  - E. Series 2010 A
  - F. Series 2010 B

**THE CITY OF HUNTINGTON**

**SEWER REFUNDING REVENUE BONDS, SERIES 2013 A**

**BOND ORDINANCE**

**Table of Contents**

**ARTICLE I  
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

Section 1.01	Authority for this Ordinance
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

**ARTICLE II  
AUTHORIZATION OF REFUNDING**

Section 2.01	Authorization of Refunding
--------------	----------------------------

**ARTICLE III  
AUTHORIZATION, TERMS, EXECUTION,  
REGISTRATION AND SALE OF BONDS**

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds Not to Be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues
Section 3.09	Form of Bond FORM OF BOND
Section 3.10	Sale of Bonds
Section 3.11	Disposition of Bond Proceeds
Section 3.12	Designation of Bonds "Qualified Tax-Exempt Obligations"

**ARTICLE IV  
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

- Section 4.01 Establishment of Funds and Accounts with Depository Bank
- Section 4.02 Establishment of Funds and Accounts with Commission
- Section 4.03 Covenants of the Issuer as to System Revenues and Funds

**ARTICLE V  
GENERAL COVENANTS**

- Section 5.01 General Statement
- Section 5.02 Rates
- Section 5.03 Sale of the System
- Section 5.04 Issuance of Additional Parity Bonds
- Section 5.05 Insurance and Bonds
- Section 5.06 Statutory Mortgage Lien
- Section 5.07 Fiscal Year; Budget
- Section 5.08 Compensation of Members of Governing Body
- Section 5.09 Books and Records; Audits
- Section 5.10 Maintenance of System
- Section 5.11 No Competition
- Section 5.12 Mandatory Connections

**ARTICLE VI  
RATES, ETC.**

- Section 6.01 Rates and Charges

**ARTICLE VII  
TAX COVENANTS**

- Section 7.01 Tax Covenants
- Section 7.02 Arbitrage and Tax Exemption
- Section 7.03 Tax Certificate and Rebate

**ARTICLE VIII  
DEFAULT AND REMEDIES**

- Section 8.01 Events of Default
- Section 8.02 Remedies

**ARTICLE IX  
DEFEASANCE**

- Section 9.01 Defeasance

**ARTICLE X  
MISCELLANEOUS**

Section 10.01	Amendment or Modification of Bond Legislation
Section 10.02	Ordinance Constitutes Contract
Section 10.03	Severability of Invalid Provisions
Section 10.04	Table of Contents and Headings
Section 10.05	Conflicting Provisions Repealed; Prior Ordinance
Section 10.06	Covenant of Due Procedure, Etc.
Section 10.07	Statutory Notice and Public Hearing
Section 10.08	Effective Date
	SIGNATURES
	CERTIFICATION

**THE CITY OF HUNTINGTON**

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 2006 A OF THE CITY OF HUNTINGTON THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN \$1,450,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2013 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED 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 resolutions supplemental hereto, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. The Issuer now owns and operates a public sewerage system. The refunding of the Sewer Revenue Bonds, Series 2006 A, as hereinafter defined, is authorized and provided for by the Act and is a public purpose of the Issuer and is ordered for the purpose of meeting and serving public convenience and necessity. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Sewer System Revenue Refunding Bonds, Series 2006 A be refunded. The existing public sewerage system of the Issuer, which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste and any further additions, betterments and improvements thereto are herein called the "System".

C. The Issuer has heretofore issued its 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").

D. It is in the best interest of the Issuer that the Series 2006 A Bonds be currently refunded in order to allow the Issuer to take advantage of the interest savings.

E. It is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2013 A (the "Series 2013 A Bonds") in the total aggregate principal amount of not more than \$1,450,000 to pay in full the principal of and interest accrued on the Series 2006 A Bonds, to fund the Series 2013 A Bonds Reserve Account, as hereinafter defined, and to pay costs of issuance thereof and related costs.

F. It is in the best interest of the Issuer that the Series 2013 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the commitment letter of the Purchaser.

G. The Issuer has complied with all requirements of West Virginia law relating to authorization of the refunding of the Series 2006 A Bonds, and the issuance of the Series 2013 A Bonds, or will have so complied prior to issuance of the Series 2013 A Bonds.

H. Upon the refunding of the Series 2006 A Bonds, the Issuer will have the following outstanding obligations which will rank on a parity with the Series 2013 A 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 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"); (iv) Sewerage System Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of \$5,500,000 (the "Series 2007 Bonds"); (v) 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"); and (vi) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated November 10, 2010, issued in the original aggregate principal amount of \$2,622,055 (the "Series 2010 B Bonds"), (collectively, the "Prior Bonds").

The Series 2013 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 2013 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 the Holders of the Series 1997 Bonds, Series 1999 Bonds, Series 2000 A Bonds, Series 2010 A Bonds and Series 2010 B Bonds, to the issuance of the Series 2013 A Bonds on a parity with the Prior Bonds. The 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 Ordinance.

I. 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 2013 A Bonds for the purposes set forth herein.

The Issuer has complied with all requirements of West Virginia law relating to authorization and issuance of the Series 2013 A Bonds.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2013 A Bonds by those who shall be the Registered Owner 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 Registered Owner, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2013 A Bonds, all of 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 Chapter 16, Article 13 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"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 any 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" or "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 2013 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder of by another resolution of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for all or a portion of the proceeds thereof representing the purchase price of the Bonds by the Purchaser.

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

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

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"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 City Council of the Issuer as it may now or hereafter be constituted.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts.

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

"Independent Certified Public Accountants" shall mean 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 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, 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 County, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2013 A Bonds, plus accrued interest and premium, if any, and less original issue discount, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2013 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 reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as hereinafter defined), payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 2013 A Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding" when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which 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 IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, and Bonds registered to the Issuer.

"Parity Bonds" means additional Parity Bonds issued under the provisions and within the limitations prescribed by Section 5.04 hereof.

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

"Prior Bonds" means the Series 1997 Bonds, Series 1999 Bonds, Series 2000 A Bonds, Series 2007 Bonds, Series 2010 A Bonds, and Series 2010 B Bonds.

"Prior Ordinances" means the ordinances of the Issuer 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.

"Purchaser" means the purchaser or purchasers of the Series 2013 A Bonds directly from the Issuer designated as such in the Supplemental Resolution and its successors and assigns.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time 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, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York,

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; 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 or Standard & Poor's Corporation.

"Regulations" means temporary and permanent regulations promulgated under the Code.

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

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

"Series 2006 A Bonds Ordinance" means the ordinance of the Issuer authorizing the Series 2006 A Bonds.

"Series 2007 Bonds" means the Issuer's Sewerage System 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 Issuer’s 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.

“Series 2010 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated November 10, 2010, issued in the original aggregate principal amount of \$2,622,055.

“Series 2013 A Bonds” means the Issuer’s Sewer Refunding Revenue Bonds, Series 2013 A, authorized herein.

"Series 2013 A Bonds Reserve Account" means the Series 2013 A Bonds Reserve Account created by Section 4.02 hereof.

“Series 2013 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 2013 A Bonds in the then current or any succeeding year.

“Series 2013 A Bonds Sinking Fund” means the Series 2013 A Bonds Sinking Fund created by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution 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 2013 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2013 A Bonds and not so included may be included in another Supplemental Resolution.

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

“Sanitary Board” means the Sanitary Board of the City as now or hereafter constituted or any other agency, department or instrumentality of the City which shall any time have jurisdiction, possession or control of the System or the management and operation hereof.

"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 REFUNDING**

Section 2.01. Authorization of Refunding. All Series 2006 A Bonds Outstanding as of the date of issuance of the Series 2013 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Net Revenues in favor of the Holders of the Series 2006 A Bonds imposed by the Series 2006 A Bonds Ordinance, the monies in the funds and accounts created by the Series 2006 A Bonds Ordinance pledged to payment of the Series 2006 A Bonds, and any other funds pledged by the Series 2006 A Bonds Ordinance to payment of the Series 2006 A Bonds are hereby ordered terminated, discharged and released upon such payment to the Holders of the Series 2006 A Bonds. Contemporaneously with the payment in full of the Series 2006 A Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the Series 2006 A Bonds, shall be released from the lien created by the Series 2006 A Bonds Ordinance. The portion of the proceeds of the Series 2013 A Bonds hereby authorized to be applied towards the refunding of the Series 2006 A Bonds shall be applied as provided in Article III hereof.

**ARTICLE III**  
**AUTHORIZATION, TERMS, EXECUTION,  
REGISTRATION AND SALE OF BONDS**

Section 3.01. Authorization of Bonds. For the purpose of refunding the Series 2006 A Bonds, funding the Series 2013 A Bonds Reserve Account and paying certain costs of issuance and related costs not otherwise provided for, or any all of such purposes, there is hereby authorized to be issued the Sewer Refunding Revenue Bonds, Series 2013 A, of the Issuer, in the aggregate principal amount of not more than \$1,450,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2013 A Bonds shall be issued in single form, numbered AR-1, and only as a fully registered Bond. The Series 2013 A Bonds shall be dated such date; shall be in such principal amount, not to exceed \$1,450,000; shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such dates; shall mature on such dates and in such amounts; and shall be subject to such repayment or redemption, prepayment penalty all as the Issuer shall prescribe in the Supplemental Resolution. The Series 2013 A Bonds shall be payable as to principal and interest at the office of the Paying Agent in any coin or currency which, on the dates of payment is legal tender for the payment of public or private debts under the laws of the United States of America.

Section 3.03. Execution of Bonds. The Series 2013 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 2013 A Bonds shall cease to be such officer of the Issuer before the Series 2013 A Bonds so signed and sealed have been actually sold and delivered, the Series 2013 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2013 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 2013 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 3.09 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 2013 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 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 any of the Series 2013 A Bonds, shall be conclusively deemed to have agreed that such Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2013 A Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Series 2013 A Bonds.

The registered Series 2013 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 the Series 2013 A Bonds or transferring the registered Bonds are exercised, the Bonds shall be delivered in accordance with the provisions of this Bond Legislation. Any Series 2013 A Bond surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2013 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 such 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 person requesting such exchange or transfer, as a condition precedent to the exercise of the privilege of making such transfer. The Bond Registrar shall not be obliged to make any such exchange or transfer of the Series 2013 A Bonds during the 15 days preceding a scheduled payment date on such Bonds or after notice of any prepayment of such Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2013 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 Series 2013 A Bond of like tenor as the Bond 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 Series 2013 A 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 reasonable expenses as the Issuer and the Bond Registrar may incur. The Series 2013 A Bond 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 Series 2013 A 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 2013 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 2013 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2013 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2013 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with 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 Series 2013 A Bonds, the Prior Bonds and to make all other payments hereinafter set forth herein and in the Prior Ordinances, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Form of Bond. The text of the Series 2013 A 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:

[Remainder of Page Intentionally Blank]

[FORM OF BOND]

THE CITY OF HUNTINGTON  
SEWER REFUNDING REVENUE BONDS, SERIES 2013 A

No. AR-1

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on this the \_\_\_\_ day of \_\_\_\_\_, 2013, 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 order of

\_\_\_\_\_

or registered assigns (the "Payee"), the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of \_\_\_\_% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of \_\_\_\_% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in \_\_\_\_ installments commencing on the 1st day of \_\_\_\_\_, 20\_\_\_\_ and on the 1st day of each month thereafter, to and including \_\_\_\_\_, 20\_\_\_\_. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond

unpaid on \_\_\_\_\_, 20\_\_ together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof 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").

This Bond is issued to (i) refund the Issuer's Sewer Revenue Bonds, Series 2006 A; (ii) fund the Series 2013 A Bonds Reserve Account; and (iii) pay costs of issuance and related costs. The existing public sewerage system facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on \_\_\_\_\_, 2013, and a Supplemental Resolution, duly adopted by the Issuer on \_\_\_\_\_, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND 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 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"); (IV) SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2007, DATED DECEMBER 27, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,500,000 (THE "SERIES 2007 BONDS"); (V) 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"); AND (VI) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 10, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,622,055 (THE "SERIES 2010 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

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 the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee 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 \_\_\_\_\_, \_\_\_\_\_, West

Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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 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.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated 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 hereon and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

THE CITY OF HUNTINGTON

[SEAL]

By: \_\_\_\_\_  
Its: Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: \_\_\_\_\_, 2013

\_\_\_\_\_,  
as Registrar

By: \_\_\_\_\_  
Its: Authorized Officer

EXHIBIT A  
Debt Service Schedule

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto \_\_\_\_\_ the within-mentioned Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, Attorney to transfer the said Bond on the books of the Registrar on behalf of the said Issuer with full power of substitution in the premises.

Dated: \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.10. Sale of Bonds. The Series 2013 A Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, the adoption of the Supplemental Resolution; provided, that the Purchaser and the Issuer shall have agreed to the purchase thereof.

Section 3.11. Disposition of Bond Proceeds. From the monies received from the sale of the Series 2013 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2013 A Bonds, the Issuer shall forthwith disburse from the proceeds of the Series 2013 A Bonds an amount as specified in Supplemental Resolution which is equal to the amount necessary to pay in full the entire principal of and interest accrued on the Series 2006 A Bonds.

B. Next, the Purchaser shall pay to the Municipal Bond Commission an amount as specified in the Supplemental Resolution which is equal to the amount necessary to fully fund the Series 2013 A Bonds Reserve Account.

C. Next, the Purchaser shall pay the costs of issuance of the Series 2013 A Bonds.

Section 3.12. Designation of Bonds “Qualified Tax-Exempt Obligations.” The Issuer hereby designates the Series 2013 A Bonds as “qualified tax-exempt obligations” for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does 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, other than 501(c)3 Bonds, as defined in Section 141 of the Code), including the Series 2013 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during calendar year 2013.

#### **ARTICLE IV** **FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by Prior Ordinances and hereby continued); and
- (2) Renewal and Replacement Fund (established by Prior Ordinances and hereby continued).

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and 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 A Bonds Sinking Fund (established by Prior Ordinances and continued hereby);
- (6) Series 2000 A Bonds Reserve Account (established by Prior Ordinances and continued hereby);
- (7) Series 2007 Bonds Sinking Fund (established by Prior Ordinances and continued hereby);
- (8) Series 2007 Bonds Reserve Account (established by Prior Ordinances and continued hereby);
- (9) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances and continued hereby);
- (10) Series 2010 A Bonds Reserve Account (established by Prior Ordinances and continued hereby);
- (11) Series 2010 B Bonds Sinking Fund (established by Prior Ordinances and continued hereby);
- (12) Series 2010 B Bonds Reserve Account (established by Prior Ordinances and continued hereby);
- (13) Series 2013 A Bonds Sinking Fund; and
- (14) Series 2013 A Bonds Reserve Account.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2013 A Bonds shall be outstanding and unpaid, or until there shall have been set apart, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire

principal of the Series 2013 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2013 A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein 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 herein.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, each month, pay from the monies in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amounts required by Prior Ordinances to pay the interest on the Prior Bonds; and (ii) the amount required to pay interest on the Series 2013 A Bonds.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amount required by Prior Ordinances to pay principal on the Prior Bonds; and (ii) the amount required to pay the principal on the Series 2013 A Bonds.

(4) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amount required by Prior Ordinances to be deposited in the respective Prior Bonds Reserve Accounts; and (ii) for deposit into the Series 2013 A Bonds Reserve Account the amount required to have on deposit therein the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 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 2013 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 ½% 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 account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Series 2013 A Bonds, or for any lawful purpose.

Monies in the Series 2013 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2013 A Bonds as the same shall become due. Monies in the Series 2013 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2013 A Bonds as the same shall come due, when other monies in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2013 A Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2013 A Bonds.

Any withdrawals from the Series 2013 A Bonds Reserve Account, which result in a reduction in the balance of such account to below the Reserve Requirement 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.

As and when additional Bonds ranking on a parity with the Series 2013 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective Reserve Accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2013 A Bonds Sinking Fund, or the Series 2013 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2013 A Bonds Sinking Fund, and the Series 2013 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 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 A Bonds, under the conditions and restrictions set forth herein.

C. **CHANGE OF DEPOSITORY BANK.** The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. **CHARGES AND FEES.** The Issuer shall remit from the Revenue Fund to the Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission then due.

E. **INVESTMENT OF EXCESS BALANCES.** The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

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

## **ARTICLE V** **GENERAL COVENANTS**

Section 5.01. General Statement. So long as the Series 2013 A Bonds shall be outstanding and unpaid, or until there shall have been set apart a sum sufficient to prepay the entire principal of the Series 2013 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues to pay

all operating expenses of the System and 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 2013 A Bonds and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2013 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. 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. So long as the Series 2013 A Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, without permission of the Purchaser unless the Series 2013 A Bonds are prepaid in full.

Section 5.04. Issuance of 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, all Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2013 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding the Bonds issued pursuant hereto or subsequent Parity Bonds, or any combination of such purposes.

So long as the Series 2013 A Bonds or the Prior Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Bonds Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The “estimated average increased annual Net Revenues to be received in each of the 3 succeeding years,” as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period

for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in the certificate of the Independent Certified Public Accountants.

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the Series 2013 A Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior 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 lien on and source of and security for payment from such revenues, with the Bond.

No Parity Bonds shall be issued any time, however, unless all the payments provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 5.05. Insurance and Bonds. A. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2013 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(i) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(ii) Public Liability Insurance, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$1,000,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2013 A Bonds.

(iii) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$1,000,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(iv) Workers' Compensation Coverage for All Employees of the Issuer Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the clerk of the County Commission of said County prior to commencement of construction in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(v) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(vi) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

(vii) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2013 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer with insurance carriers or bonding companies acceptable to Purchaser.

B. All insurance proceeds awarded to the Issuer that are not applied to the repair or replacement of the subject property damaged or destroyed, shall be applied by the Issuer to prepayment of the Bond, unless otherwise consented to in writing by the Bondholder.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2013 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 2013 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 5.07. Fiscal Year; Budget. While the Series 2013 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.08. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.09. Books and Records; Audits. 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 the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser within 60 days of completion. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.10. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2013 A Bonds are outstanding.

Section 5.11. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it

and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 5.12. 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 Bureau for 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 Bureau for 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.

## **ARTICLE VI** **RATES, ETC.**

Section 6.01. Rates and Charges. A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer adopted on June 9, 2009 which rates are incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services

or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

## **ARTICLE VII** **TAX COVENANTS**

Section 7.01. 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 2013 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 2013 A Bonds during the term thereof is, under the terms of the Series 2013 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) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2013 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 2013 A Bonds during the term thereof is, under the terms of the Series 2013 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 2013 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 2013 A Bonds is 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 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 2013 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 2013 A 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 2013 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2013 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions which would adversely affect such exclusion.

Section 7.02. 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 2013 A Bonds which would cause the Series 2013 A Bonds to be an "arbitrage bond" 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 2013 A Bonds) so that the interest on the Series 2013 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 7.03. 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 2013 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2013 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. The Issuer shall pay, or cause to be paid, to the United States, 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 in time to time in effect with such reports and statements as may be prescribed by such Regulations. 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 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations.

**ARTICLE VIII**  
**DEFAULT AND REMEDIES**

Section 8.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Series 2013 A Bonds:

1. If default occurs in the due and punctual payment of the principal of or interest on the Series 2013 A Bonds; or
2. If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2013 A Bonds set forth in this Bond Legislation, any supplemental resolution, or in the Series 2013 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 Paying Agent, Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Series 2013 A Bonds; 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 Ordinances.

Section 8.02. 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 2013 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

**ARTICLE IX**  
**DEFEASANCE**

Section 9.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 2013 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 this Bond Legislation and 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 Owner of the Series 2013 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 2013 A Bonds from gross income for federal income tax purposes.

The payment of the Series 2013 A Bonds with either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on the Series 2013 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 2013 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Paying Agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Series 2013 A Bonds on and prior to the maturity dates thereof. Neither securities nor monies deposited with the Paying Agent 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 the Series 2013 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Paying 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 the Series 2013 A Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Paying 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 X** **MISCELLANEOUS**

Section 10.01. Amendment or Modification of Bond Legislation. This Bond Legislation may not be amended or modified after final passage without the prior written consent of the Registered Owner; provided, however, that this Bond Legislation may be amended without the consent of the Registered Owner as may be necessary to assure the exclusion of interest on the Series 2013 A Bonds from gross income of the Registered Owner for federal income tax purposes.

Section 10.02 Ordinance Constitutes Contract. The provisions of the Ordinance shall constitute a contract between the Issuer and the Holders of the Bonds, and no change, variation or alteration of any kind of the provisions of the Ordinance shall be made in any manner, except as in this Ordinance provided.

Section 10.03. 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 2013 A Bonds.

Section 10.04. Table of Contents and Headings. The table of contents and headings 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 10.05. 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 Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 10.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City 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 10.07. 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, there being no newspaper published therein, 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.

[Remainder of Page Intentionally Blank]

Section 10.08. Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading: January 14, 2013

Passed on Second Reading: January 28, 2013

Passed on Final Reading  
Following Public  
Hearing: February 25, 2013

  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 25th day of February, 2013.

Dated: March 28, 2013.

[SEAL]

  
\_\_\_\_\_  
City Clerk

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2013 A OF THE CITY OF HUNTINGTON; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS; APPROVING THE FORM OF CERTIFICATE OF DETERMINATIONS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of The City of Huntington (the "Issuer") has duly and officially adopted an ordinance on February 25, 2013 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 2006 A OF THE CITY OF HUNTINGTON THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN \$1,450,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2013 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Ordinance provides for the issuance by the Issuer of its Sewer Refunding Revenue Bonds, Series 2013 A in the aggregate principal amount not to exceed \$1,450,000, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, it is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2013 A (the "Series 2013 A Bonds") in an aggregate principal amount of not more than \$1,450,000, to finance the costs of acquisition and construction of the Project and costs of issuance of the Series 2013 A Bonds and related costs;

WHEREAS, in the Ordinance, it is provided that the exact principal amount, date, maturity date, interest rate, interest and principal payment dates and other terms of the Series 2013 A Bonds should be established by a supplemental resolution and that other matters relating to the Series 2013 A Bonds be provided for therein;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the principal amount, date, maturity date, interest rate, interest and principal payment dates and other terms of the Series 2013 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2013 A Bonds be herein provided for.

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

Section 1. For the purposes of (i) to pay the Series 2006 A Bonds; (ii) to fund the Series 2013 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Series 2013 A Bonds and related costs, the Governing Body of the Issuer hereby authorizes the issuance of the Series 2013 A Bonds in an aggregate principal amount not to exceed \$1,450,000.

Section 2. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2013 A Bonds. The Series 2013 A Bonds shall be issued in the aggregate principal amount not to exceed \$1,450,000 and shall mature November 1, 2016, all as shall subsequently be approved by the Mayor pursuant to the execution and delivery by the Mayor of a Certificate of Determinations with respect to the Series 2013 A Bonds, dated the date of Closing, the form of which is attached hereto as EXHIBIT A and approved hereby (the "Certificate of Determinations"); provided however, that the specific terms of the Series 2013 A Bonds shall be as determined by the Mayor and as approved by the Mayor in the Certificate of Determinations. All other provisions relating to the Series 2013 A Bonds shall be as provided in the Supplemental Resolution.

Section 3. All other provisions of the Series 2013 A Bonds and the text of the Series 2013 A Bonds shall be in substantially the form provided in the Ordinance.

Section 4. The Mayor and Clerk are hereby authorized and directed to execute and deliver the Series 2013 A Bonds and such other documents and certificates required or desirable in connection with the Series 2013 A Bonds hereby and by the Ordinance approved and provided for.

Section 5. The issuance of the Series 2013 A Bonds and the refunding of the Series 2006 A Bonds with proceeds of the Series 2013 A 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 6. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2013 A Bonds.

Section 7. The Tax Compliance Policy attached hereto as Exhibit B is hereby approved.

Section 8. The Mayor and Clerk, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2013 A Bonds to be duly and properly issued by the Issuer and delivered to the Original Purchaser as herein authorized and to otherwise facilitate the transaction contemplated by this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

Section 9. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 11th day of March, 2013.

THE CITY OF HUNTINGTON

By:   
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of THE CITY OF HUNTINGTON on the 11th day of March, 2013.

Date: March 28, 2013.

[SEAL]

  
Clerk

EXHIBIT A

# Form of

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

## CERTIFICATE OF DETERMINATIONS

The undersigned Steve Williams, Mayor of The City of Huntington (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on March 11, 2013 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bonds, Series 2013 A (the "Series 2013 A Bonds"), hereby finds and determines this \_\_\_\_ day of \_\_\_\_\_, 2013 as follows:

1. The Issuer hereby appoints and designates \_\_\_\_\_, \_\_\_\_\_, West Virginia, as the Depository Bank.

2. The Issuer hereby appoints and designates \_\_\_\_\_, \_\_\_\_\_, West Virginia, as the Purchaser and Registrar.

3. The Issuer hereby appoints and designates West Virginia Municipal Bond Commission as Paying Agent.

4. The Series 2013 A Bonds shall be sold to \_\_\_\_\_, \_\_\_\_\_, West Virginia, and shall be registered in the name of such bank pursuant to the terms of the commitment letter dated \_\_\_\_\_, 2013. The price of the Series 2013 A Bonds shall be 100% of par value, there being no interest accrued thereon.

5. Pursuant to the Supplemental Parameters Resolution the Series 2013 A Bonds of the Issuer shall be initially represented by a single bond, numbered AR-1, in the principal amount of \$\_\_\_\_\_. The Series 2013 A Bonds shall be dated \_\_\_\_\_, 2013 and shall finally mature on November 1, 2016. Principal and interest, at the rate of \_\_\_\_\_% per annum (the "Tax-Exempt Rate"), shall be payable on the 1st of each month in the amount of \$\_\_\_\_\_ beginning \_\_\_\_\_, 2013 to and including November 1, 2016; provided that, in the event that the interest on the Series 2013 A Bonds is determined to be subject to federal income taxation by the Internal Revenue Service, such interest shall be at the rate of \_\_\_\_\_% per annum from the date of such determination of taxability. The Series 2013 A Bonds shall not be subject to a prepayment penalty.

6. The Series 2013 A Bond proceeds in the amount of \$\_\_\_\_\_ shall be deposited in at the Commission to pay a portion of the Series 2006 A Bonds. The remaining portion of the Series 2006 A Bonds to be paid by funds in the Series 2006 A Bonds Sinking Fund and Series 2006 A Bonds Reserve Account.

7. Series 2013 A Bonds proceeds in the amount of \$ \_\_\_\_\_ shall be deposited in the Series 2013 A Bonds Reserve Account.

8. Series 2013 A Bonds Proceeds in the amount of \$ \_\_\_\_\_ shall be distributed as Costs of Issuance.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2013 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2013 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF HUNTINGTON

By: \_\_\_\_\_  
Its: Mayor

## **TAX COMPLIANCE POLICIES**

### **The City of Huntington**

#### **Purpose**

Issuers of tax-exempt bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Huntington (the “*Issuer*”) with these rules in connection with the issuance of the Issuer’s Sewer Refunding Revenue Bonds, Series 2013 A (the “*Tax-Exempt Bonds*”).

#### **Tax Requirements Associated with Sale and Issuance of Bonds**

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Mayor of the Issuer or his/her designee (the “*Oversight Officer*”).

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

#### **Expenditure of Proceeds for Qualified Costs**

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

- Bond proceeds will be disbursed pursuant to an approved form of requisition stating the date, amount and purpose of the disbursement.
- Requisitions must identify the financed property and certify as to the character and average economic life of the bond-financed property.
- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by the Issuer. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.
- Requisitions will be summarized in a “final allocation” of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any

event not later than 5 years and 60 days after the issuance of the Tax-Exempt Bonds).

- Expenditure of proceeds will be monitored against the expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.
- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

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

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

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

### **Expenditure of Proceeds**

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

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other “working capital” costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.
- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

### **Use of Bond-Financed Property**

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

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.
- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property is bond-financed.
- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit.
- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a “remedial action” under the applicable Income Tax Regulations.

### **Investments and IRS Filings**

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

- Guaranteed investment contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.
- Other investments will be purchased only in market transactions.
- Calculations of rebate liability will be performed annually by outside consultants.
- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.
- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

### **Records**

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

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.
- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, and Form 8038-G) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.
- Retainable records pertaining to expenditures of bond proceeds include requisitions, trustee statements and final allocation of proceeds.
- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use.
- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

[Remainder of Page Intentionally Blank]

**Overall Responsibility**

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

THE CITY OF HUNTINGTON

\_\_\_\_\_  
By:  
Title:

Date: March 11, 2013

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

**CERTIFICATE OF DETERMINATIONS**

The undersigned Steve Williams, Mayor of The City of Huntington (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on March 11, 2013 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bonds, Series 2013 A (the "Series 2013 A Bonds"), hereby finds and determines this 28th day of March, 2013 as follows:

1. The Issuer hereby appoints and designates Peoples Bank, N.A., Huntington, West Virginia, as the Depository Bank.
2. The Issuer hereby appoints and designates Peoples Bank, N.A., Huntington, West Virginia, as the Purchaser and Registrar.
3. The Issuer hereby appoints and designates West Virginia Municipal Bond Commission (the "Commission") as Paying Agent.
4. The Series 2013 A Bonds shall be sold to Peoples Bank, N.A., Huntington, West Virginia, and shall be registered in the name of such bank pursuant to the terms of the commitment letter dated February 15, 2013. The price of the Series 2013 A Bonds shall be 100% of par value, there being no interest accrued thereon.
5. Pursuant to the Supplemental Parameters Resolution the Series 2013 A Bonds of the Issuer shall be initially represented by a single bond, numbered AR-1, in the principal amount of \$1,059,500. The Series 2013 A Bonds shall be dated March 28, 2013 and shall finally mature on November 1, 2016. Principal and interest, at the rate of 1.99% per annum (the "Tax-Exempt Rate"), shall be payable on the 1st of each month in the amount set forth in the Debt Service Schedule attached to the Specimen Bond, beginning May 1, 2013 to and including November 1, 2016; provided that, in the event that the interest on the Series 2013 A Bonds is determined to be subject to federal income taxation by the Internal Revenue Service, such interest shall be at the rate of 3.75% per annum from the date of such determination of taxability. The Series 2013 A Bonds shall not be subject to a prepayment penalty.
6. The Series 2013 A Bond proceeds in the amount of \$927,930.54 shall be deposited at the Commission to pay a portion of the Series 2006 A Bonds and the fees of the Commission. The remaining portion of the Series 2006 A Bonds will be paid by funds in the Series 2006 A Bonds Sinking Fund and Series 2006 A Bonds Reserve Account.
7. Series 2013 A Bonds proceeds in the amount of \$105,950 shall be deposited in the Series 2013 A Bonds Reserve Account.
8. Series 2013 A Bonds Proceeds in the amount of \$25,619.46 shall be distributed as Costs of Issuance and related costs.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2013 A Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2013 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF HUNTINGTON

By:

  
Its: Mayor

# TAX COMPLIANCE POLICIES

## The City of Huntington

### Purpose

Issuers of tax-exempt bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by The City of Huntington (the “*Issuer*”) with these rules in connection with the issuance of the Issuer’s Sewer Refunding Revenue Bonds, Series 2013 A (the “*Tax-Exempt Bonds*”).

### Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Mayor of the Issuer or his/her designee (the “*Oversight Officer*”).

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

### Expenditure of Proceeds for Qualified Costs

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

- Bond proceeds will be disbursed pursuant to an approved form of requisition stating the date, amount and purpose of the disbursement.
- Requisitions must identify the financed property and certify as to the character and average economic life of the bond-financed property.
- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a “declaration of intent” to reimburse the costs was adopted by the Issuer. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.
- Requisitions will be summarized in a “final allocation” of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the Tax-Exempt Bonds).

- Expenditure of proceeds will be monitored against the expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.
- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:
  - 15% within 6 months
  - 60% within 12 months
  - 100% within 18 months
- If the 2-year spending exception to rebate applies, expenditure of “available proceeds” will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:
  - 10% within 6 months
  - 45% within 12 months
  - 75% within 18 months
  - 100% within 24 months

### **Expenditure of Proceeds**

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

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other “working capital” costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.
- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

### **Use of Bond-Financed Property**

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

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

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property is bond-financed.
- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit.
- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a “remedial action” under the applicable Income Tax Regulations.

### **Investments and IRS Filings**

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

- Guaranteed investment contracts (“GIC”) will be purchased only using the three-bid “safe harbor” of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.
- Other investments will be purchased only in market transactions.
- Calculations of rebate liability will be performed annually by outside consultants.
- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.
- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

### **Records**

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

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.
- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including

authorizing resolutions, and Form 8038-G) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, trustee statements and final allocation of proceeds.
- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use.
- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

[Remainder of Page Intentionally Blank]

**Overall Responsibility**

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

THE CITY OF HUNTINGTON

A handwritten signature in black ink, appearing to read "Steve Melton", written over a horizontal line.

By:

Title:

Date: March 11, 2013

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 28th day of March, 2013, the undersigned authorized representative of Peoples Bank, N.A., Huntington, West Virginia (the "Purchaser"), and the undersigned Mayor of The City of Huntington (the "Issuer"), hereby certify as follows:

1. On March 28, 2013, at Huntington, West Virginia, the Purchaser received The City of Huntington Sewer Refunding Revenue Bonds, Series 2013 A, No. AR-1 (the "Bonds"), issued as a single Bond in the principal amount of \$1,059,500, dated March 28, 2013. The Bonds represent the entire above-captioned Bond issue.

2. At the time of such receipt, the Bonds had been executed and sealed by the designated officials of the Issuer.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of \$1,059,500, being the entire principal amount of the Bonds, there being no interest accrued thereon, of which a check in the amount of \$927,930.54 was delivered to the West Virginia Municipal Bond Commission to be deposited in the Series 2006 A Bonds Prepayment Fund and applied towards the payment of the entire principal amount of and interest accrued on the Issuer's Sewer Revenue Bonds, Series 2006 A Bonds, a check in the amount of \$105,950.00 was delivered to the Municipal Bond Commission to fund the Series 2013 A Bonds Reserve Account, and \$25,619.46 was disbursed by checks on behalf of the Issuer to pay the costs of issuance and related costs.

[Remainder of Page Intentionally Blank]

WITNESS our respective signatures dated as of the day and year first written above.

PEOPLES BANK, N.A.

By:   
Its: Authorized Officer

THE CITY OF HUNTINGTON

By:   
Its: Mayor

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Peoples Bank, N.A.,  
as Registrar  
Huntington, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 28th day of March, 2013:

1. Bond No. AR-1, constituting the entire original issue of The City of Huntington Sewer Refunding Revenue Bonds, Series 2013 A, dated March 28, 2013, in the principal amount of \$1,059,500 (the "Bonds"), executed by the Mayor and the Clerk of The City of Huntington (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Ordinance enacted by the Issuer on February 25, 2013, and a Supplemental Resolution adopted by the Issuer on March 11, 2013 (collectively, the "Bond Legislation").

2. A copy of the Bond Legislation duly certified by the Clerk.

3. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Purchaser.

You are hereby requested and authorized to authenticate, register and deliver the Bonds to Peoples Bank, N.A., Huntington, West Virginia, as the Purchaser thereof.

[Remainder of Page Intentionally Blank]

Dated this as of the day and year first written above.

THE CITY OF HUNTINGTON

By:   
Its: Mayor

# SPECIMEN

THE CITY OF HUNTINGTON  
SEWER REFUNDING REVENUE BONDS, SERIES 2013 A

No. AR-1

\$1,059,500

KNOW ALL MEN BY THESE PRESENTS: That on this the 28th day of March, 2013, 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 order of

PEOPLES BANK, N.A.

or registered assigns (the "Payee"), the principal sum of ONE MILLION FIFTY-NINE THOUSAND FIVE HUNDRED DOLLARS (\$1,059,500), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of 1.99% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of 3.75% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in 43 installments commencing on the 1st day of May, 2013 and on the 1st day of each month thereafter, to and including November 1, 2016. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on November 1, 2016 together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof 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").

This Bond is issued to (i) refund the Issuer's Sewer Revenue Bonds, Series 2006 A; (ii) fund the Series 2013 A Bonds Reserve Account; and (iii) pay costs of issuance and related costs. The existing public sewerage system facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on February 25, 2013, and a Supplemental Resolution, duly adopted by the Issuer on March 11, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THIS BOND IS PAYABLE ONLY FROM AND SECURED BY A PLEDGE OF THE NET REVENUES WHICH WILL RANK ON A PARITY WITH THE PLEDGE OF NET REVENUES IN FAVOR OF THE HOLDERS OF 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 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"); (IV) SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2007, DATED DECEMBER 27, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,500,000 (THE "SERIES 2007 BONDS"); (V) 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"); AND (VI) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 10, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,622,055 (THE "SERIES 2010 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

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 the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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 hereon and attested by its City Clerk, and has caused this Bond to be dated the day and year first written above.

THE CITY OF HUNTINGTON

[SEAL]

By: *Arthur Nelson*  
Its: Mayor

ATTEST:

*Barbara Nelson*  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: March 28, 2013

PEOPLES BANK, N.A.  
as Registrar

By:   
Its: Authorized Officer

EXHIBIT A

Debt Service Schedule

# AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,059,500.00	03-28-2013	11-01-2016	5127001690	MF		***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** The City of Huntington  
800 5th Avenue  
Huntington, WV Cabell

**Lender:** Peoples Bank, National Association  
Huntington 5th Avenue  
101 Fifth Avenue  
Huntington, WV 25701

**Disbursement Date:** March 28, 2013  
**Interest Rate:** 1.990

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

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	05-01-2013	25,568.22	1,991.27	23,576.95	1,035,923.05
2	06-01-2013	25,568.22	1,775.17	23,793.05	1,012,130.00
3	07-01-2013	25,568.22	1,678.45	23,889.77	988,240.23
4	08-01-2013	25,568.22	1,693.46	23,874.76	964,365.47
5	09-01-2013	25,568.22	1,652.55	23,915.67	940,449.80
6	10-01-2013	25,568.22	1,559.58	24,008.64	916,441.16
7	11-01-2013	25,568.22	1,570.42	23,997.80	892,443.36
8	12-01-2013	25,568.22	1,479.97	24,088.25	868,355.11
<b>2013 TOTALS:</b>		<b>204,545.76</b>	<b>13,400.87</b>	<b>191,144.89</b>	
9	01-01-2014	25,568.22	1,488.02	24,080.20	844,274.91
10	02-01-2014	25,568.22	1,446.76	24,121.46	820,153.45
11	03-01-2014	25,568.22	1,269.42	24,298.80	795,854.65
12	04-01-2014	25,568.22	1,363.79	24,204.43	771,650.22
13	05-01-2014	25,568.22	1,279.65	24,288.57	747,361.65
14	06-01-2014	25,568.22	1,280.69	24,287.53	723,074.12
15	07-01-2014	25,568.22	1,199.10	24,369.12	698,705.00
16	08-01-2014	25,568.22	1,197.31	24,370.91	674,334.09
17	09-01-2014	25,568.22	1,155.55	24,412.67	649,921.42
18	10-01-2014	25,568.22	1,077.79	24,490.43	625,430.99
19	11-01-2014	25,568.22	1,071.75	24,496.47	600,934.52
20	12-01-2014	25,568.22	996.55	24,571.67	576,362.85
<b>2014 TOTALS:</b>		<b>306,818.64</b>	<b>14,826.38</b>	<b>291,992.26</b>	
21	01-01-2015	25,568.22	987.66	24,580.56	551,782.29
22	02-01-2015	25,568.22	945.54	24,622.68	527,159.61
23	03-01-2015	25,568.22	815.93	24,752.29	502,407.32
24	04-01-2015	25,568.22	860.93	24,707.29	477,700.03
25	05-01-2015	25,568.22	792.19	24,776.03	452,924.00
26	06-01-2015	25,568.22	776.14	24,792.08	428,131.92
27	07-01-2015	25,568.22	709.99	24,858.23	403,273.69
28	08-01-2015	25,568.22	691.05	24,877.17	378,396.52
29	09-01-2015	25,568.22	648.42	24,919.80	353,476.72
30	10-01-2015	25,568.22	586.18	24,982.04	328,494.68
31	11-01-2015	25,568.22	562.91	25,005.31	303,489.37
32	12-01-2015	25,568.22	503.29	25,064.93	278,424.44
<b>2015 TOTALS:</b>		<b>306,818.64</b>	<b>8,880.23</b>	<b>297,938.41</b>	
33	01-01-2016	25,568.22	477.11	25,091.11	253,333.33
34	02-01-2016	25,568.22	434.11	25,134.11	228,199.22
35	03-01-2016	25,568.22	365.82	25,202.40	202,996.82
36	04-01-2016	25,568.22	347.86	25,220.36	177,776.46
37	05-01-2016	25,568.22	294.81	25,273.41	152,503.05
38	06-01-2016	25,568.22	261.33	25,306.89	127,196.16
39	07-01-2016	25,568.22	210.93	25,357.29	101,838.87
40	08-01-2016	25,568.22	174.51	25,393.71	76,445.16
41	09-01-2016	25,568.22	131.00	25,437.22	51,007.94
42	10-01-2016	25,568.22	84.59	25,483.63	25,524.31
43	11-01-2016	25,568.22	43.91	25,524.31	0.00
<b>2016 TOTALS:</b>		<b>281,250.42</b>	<b>2,825.98</b>	<b>278,424.44</b>	
<b>TOTALS:</b>		<b>1,099,433.46</b>	<b>39,933.46</b>	<b>1,059,500.00</b>	

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

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto \_\_\_\_\_ the within-mentioned Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, Attorney to transfer the said Bond on the books of the Registrar on behalf of the said Issuer with full power of substitution in the premises.

Dated: \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_



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

March 28, 2013

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

The City of Huntington  
Huntington, West Virginia

Peoples Bank, N.A.  
Huntington, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Huntington (the "Issuer") of its \$1,059,500 Sewer Refunding Revenue Bonds, Series 2013 A (the "Bonds"), dated the date hereof.

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 West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on February 25, 2013, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 11, 2013 (collectively, the "Bond Legislation"), and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation when used herein.

The Bonds are originally issued in the form of one bond, numbered AR-1, in fully registered form and bear interest on the principal amount thereof at the rate of 1.99% per annum, payable in monthly installments of principal and interest as set forth therein.

The Bonds are issued for the purposes of (i) refunding the Issuer's 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"); (ii) funding the Series 2013 A Bonds Reserve Account; and (iii) paying costs of issuance and related costs thereof.

The Bonds have been sold to Peoples Bank, N.A., Huntington, West Virginia (the "Purchaser"), pursuant to a commitment letter dated February 15, 2013.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of certain public officials furnished to us without undertaking to verify the same by independent investigation.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer set forth in the Bond Legislation and in certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision under and pursuant to the laws of the State of West Virginia, with full power and authority to enact the Bond Legislation and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Bond Legislation has been duly adopted and enacted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

3. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Purchaser and are valid, legally enforceable and binding special obligations of the Issuer, payable only from and secured by a lien on 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 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 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"); (iv) Sewerage System Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of \$5,500,000 (the "Series 2007 Bonds"); (v) 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"); and (vi) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated November 10, 2010, issued in the original aggregate principal amount of \$2,622,055 (the "Series 2010 B Bonds"), (collectively, the "Prior Bonds").

4. 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 Section 103 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (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. In addition, interest on the Bonds is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on 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 in certain 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 except as expressly set forth in paragraphs 6 and 7.

5. Under the Act, the Bonds are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2013. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Series 2006 A Bonds have been paid within the meaning and with the effect expressed in the resolutions authorizing the issuance of the Series 2006 A Bonds, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2006 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the Receipt and Release of the West Virginia Municipal Bond Commission to the sufficiency of the monies on deposit to provide for the payment of the principal of, interest on, and premium, if any, of the Series 2006 A Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds and the Bond Legislation may be subject to and limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. AR-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

  
STEPTOE & JOHNSON PLLC



**STEP TOE &  
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.step-toe-johnson.com

Writer's Contact Information

March 28, 2013

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

The City of Huntington  
Huntington, West Virginia

Peoples Bank, N.A.  
Huntington, West Virginia

Ladies and Gentlemen:

We are counsel to The City of Huntington, in Cabell County, West Virginia (the "Issuer"), in connection with the issuance and sale of the above-captioned bonds (the "Bonds"). As such counsel, we have reviewed copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the commitment letter dated February 15, 2013, from Peoples Bank, N.A., Huntington, West Virginia (the "Purchaser"), the Bond Ordinance of the Issuer duly enacted February 25, 2013, as supplemented by the Supplemental Resolution of the Issuer duly adopted March 11, 2013 (collectively, the "Bond Legislation"), and other documents relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation when used herein.

We are 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.
2. The Mayor and Clerk, members of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Ordinance has been duly adopted and enacted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Ordinance, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds and the Ordinance are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations required by law for the operation of the System.

7. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the Ordinance, the operation of the System, the validity of the Bonds or pledge of the funds set forth in the Ordinance.

Very truly yours,

  
STEPTOE & JOHNSON PLLC

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

GENERAL CERTIFICATE OF THE CITY OF HUNTINGTON ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. SALE, DELIVERY AND PAYMENT OF BONDS; SIGNATURES
5. CERTIFICATION OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME, ETC
7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
8. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT
9. SPECIMEN BOND
10. CONFLICT OF INTEREST
11. RATES

We, the undersigned MAYOR and CLERK of The City of Huntington (the "Issuer"), hereby certify this 28th day of March, 2013 in connection with the Sewer Refunding Revenue Bonds, Series 2013 A (the "Bonds"), dated the date hereof, as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the Bonds Ordinance of the Issuer duly enacted on February 25, 2013, as supplemented by a Supplemental Resolution duly adopted on March 11, 2013 (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 Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge of the Net Revenues or application of the Gross Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Net Revenues as security for the 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, excluding a local building permit from the Issuer, the

operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect.

4. SALE, DELIVERY AND PAYMENT OF BONDS; SIGNATURES: On the date hereof, the Bonds were sold and delivered to Peoples Bank, N.A., Huntington, West Virginia (the "Purchaser"), pursuant to a commitment letter dated February 15, 2013, at the price of \$1,059,500 (100% of par value), there being no interest accrued thereon. On the date hereof, the Bonds were duly signed by the manual signature of the Mayor, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed or imprinted thereon and attested by the manual signature of the Clerk, and the Registrar did officially authenticate, register and deliver the Bonds to the Purchaser. At the time of delivery of the Bonds, the Issuer received \$1,059,500 from the Purchaser being the entire principal amount of the Bonds, of which \$927,930.54 was deposited with West Virginia Municipal Bond Commission to pay a portion of the principal amount of and interest accrued on the Issuer's Sewer Revenue Bonds, Series 2006 A, \$105,950.00 was deposited with the Municipal Bond Commission to fund the Series 2013 A Reserve Account; and \$25,619.46 was disbursed as costs of financing and related costs

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

Public Service Commission Order

Bank Commitment Letter

Charter and Rules of Procedure

Oaths of Office of Officers and Council Members

Sewer Rate Ordinance and Public Service Commission Order

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "The City of Huntington" and its principal office and place of business are in Cabell County, West Virginia. The Issuer is a public corporation and political subdivision of the State of West Virginia. The governing body of the Issuer is its council consisting of a Mayor, a Clerk and eleven (11) council members, 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
Steve Williams, Mayor	01/2013	01/2017
Joyce Clark, Councilmember	01/2013	01/2017
Pete Gillespie, Councilmember	01/2013	01/2017
Frances Jackson, Councilmember	01/2013	01/2017
Gary Bunn, Councilmember	01/2013	01/2017
Sandra Clements, Councilmember	01/2013	01/2017
Mark Bates, Councilmember	01/2013	01/2017
Scott Caserta, Councilmember	01/2013	01/2017
Tom McGuffin, Councilmember	01/2013	01/2017
Rick Simmons, Councilmember	01/2013	01/2017
David Ball, Councilmember	01/2013	01/2017
Rebecca Thacker, Councilmember	01/2013	01/2017

The duly appointed and acting Counsel to the Issuer is Steptoe & Johnson, PLLC.

7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the Purchaser offered to purchase the Bonds. The Bonds shall be payable only from and secured by a lien on the Net Revenues of the System (as defined in the Bond Legislation). Upon the refunding of the Series 2006 A Bonds, the Issuer will have the following outstanding obligations which will rank on a parity with the Series 2013 A 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 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"); (iv) Sewerage System Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of \$5,500,000 (the "Series 2007 Bonds"); (v) 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"); and (vi) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated November 10, 2010, issued in the original aggregate principal amount of \$2,622,055 (the "Series 2010 B Bonds"), (collectively, the "Prior Bonds").

8. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT: The Issuer hereby confirms the appointment of Peoples Bank, N.A., Huntington, West Virginia, as Registrar, the West Virginia Municipal Bond Commission as Paying Agent.

9. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

10. 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 Bonds and/or the Bond Legislation, 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.

11. RATES: The Issuer has duly enacted a sewer rate ordinance on June 9, 2009 setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official corporate seal of THE CITY OF HUNTINGTON on the day and year first written above.

[CORPORATE SEAL]

Signature

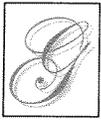
Official Title

*Ather Dillin*

Mayor

*Barbara Nelson*

Clerk



March 28, 2013

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

The City of Huntington  
Huntington, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

Peoples Bank, N.A.  
Huntington, 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 9, 2009 and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the 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 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 2013 A, dated March 28, 2013, issued in the original aggregate principal amount of \$1,059,500 (the "Series 2013 A 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 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");
- (iv) Sewerage System Refunding Revenue Bonds, Series 2007, dated December 27, 2007, issued in the original aggregate principal amount of \$5,500,000 (the "Series 2007 Bonds");

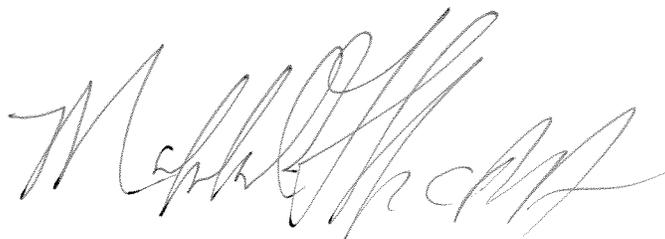
Michael D. Griffith, CPA, AFI  
mgriffith@gcorpwwv.com

950 Little Coal River Road Alum Creek, WV 25003  
Phone: (304) 756.3600 Facsimile: (304) 756.2911

- (v) 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"); and
- (vi) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated November 10, 2010, issued in the original aggregate principal amount of \$2,622,055 (the "Series 2010 B Bonds"), (collectively, the "Prior Bonds").

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2013 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2013 A Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2013 A Bonds and the Prior Bonds.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Griffith", written in a cursive style.

Michael D. Griffith, CPA, AFI  
Griffith & Associates, PLLC

MDG/dk

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

CERTIFICATE AS TO ARBITRAGE

On this 28th day of March, 2013, the undersigned Mayor of The City of Huntington, Cabell County, West Virginia (the "Issuer"), being the official of the Issuer charged with the responsibility for issuing the above-referenced bonds (the "Bonds") of the Issuer, and acting for the Issuer and in its name, hereby certifies as follows with regard to the Bonds and use of the proceeds thereof, all capitalized terms used herein and not otherwise defined herein to have the same meanings set forth in the Bonds Ordinance duly enacted by the Issuer on February 25, 2013, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 11, 2013 (collectively, the "Bond Legislation"):

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 any predecessor thereto (collectively, the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer.
2. This certificate may be relied upon as the certificate of the Issuer.
3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its obligations 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 March 28, 2013, 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 to 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. 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 Section 148 of the Code. The Issuer, in the Bond Legislation, has further covenanted that it will take all actions that may be required of it 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.

6. The Bonds were sold on March 28, 2013, to Peoples Bank, N.A., Huntington, West Virginia (the "Purchaser"), for a purchase price of \$1,059,500, being the par value thereof, there being no interest accrued thereon.

7. The principal of the Bonds in the amount of \$1,059,500 will be paid to the Issuer on the Closing Date, for the purposes of (i) refunding the Issuer's Sewer Revenue Bonds, Series 2006 A (the "Series 2006 A Bonds"); (ii) funding the Series 2013 A Bonds Reserve Account; and (iii) paying costs of issuance and related costs thereof. None of such monies will be deposited in a reserve or replacement fund, and all of such monies are necessary for such purpose.

8. All proceeds from the sale of the Bonds, together with any investment earnings thereon, if any, will be expended for payment of such refunding the Series 2006 A Bonds and costs of issuance of the Bonds on or before June 1, 2013.

9. Sources and uses of the proceeds of the Bonds are as follows:

SOURCES

Gross Proceeds of the Bonds	\$1,059,500.00
Series 2006 A Bonds Reserve Account	\$315,215.10
Series 2006 A Bonds Sinking Fund	<u>\$223,597.14</u>
Total Sources	<u>\$1,598,312.24</u>

USES

Refunding Series 2006 A Bonds	\$1,465,572.88
Fund Series 2013 A Bonds Reserve Account	\$105,950.00
Fees of Commission	\$1,169.90
Costs of Issuance	<u>\$25,619.46</u>
Total Uses	<u>\$1,598,312.24</u>

The costs of refunding the Series 2006 A Bonds, funding the Series 2013 A Bonds Reserve Account and the costs of issuance of the Bonds is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet such costs, 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 betterments and improvements for the System, 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 IV of the Bond Ordinance, the following special funds have been created or continued relative to the Series 2013 A Bonds:

- (1) Revenue Fund (established by Prior Ordinance);
- (2) Renewal and Replacement Fund (established by Prior Ordinance);
- (3) Series 2013 A Bonds Sinking Fund; and
- (4) Series 2013 A Bonds Reserve Account.

11. Pursuant to Article III of the Bond Ordinance, the proceeds of the Bonds will be paid by the Issuer to the holder of the Series 2006 A Bonds. The remainder will be disbursed by the Purchaser to pay costs of issuance of the Bonds and related costs.

Except for "preliminary expenditures" as defined in Treas. Reg. §1.150-2(f)(2), none of the proceeds of the Bonds will be used to reimburse the Issuer for costs of operating and other expenses of the System previously incurred and paid by the Issuer with its own or other funds.

12. Monies held in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account will be used solely to pay the principal of and interest on the Bonds and will not be available to meet costs of operating and other expenses of the System.

13. Except for the Series 2013 A Bonds Sinking Fund and the Series 2013 A 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 the principal and interest on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. The Series 2013 A Bonds Reserve Account will be fully funded with bond proceeds in the amount of \$105,950.

14. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were 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.

15. 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 Purchaser.

16. All proceeds of the Bonds will be expended on payment of currently refunding the Series 2006 A Bonds and costs of issuance within 3 months from the date of issuance thereof.

17. 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.

18. 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.

19. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by any person who is not a governmental unit. Less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to any person who is not a governmental unit. The covenants of the Issuer set forth above shall not, in any way, limit or restrict the ability of the Issuer to pay the costs of design and other preliminary costs of the Project, specifically including, but not limited to, engineering fees, from the proceeds of the Bonds.

20. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

21. The Issuer shall use the Bonds proceeds solely for currently refunding the Series 2006 A Bonds, funding the Series 2013 A Reserve Account and costs of issuance and the System is and will be operated solely for a public purpose as a local governmental activity of the Issuer.

22. 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 and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

23. The Bonds are not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

24. RESERVED

25. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

26. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

27. 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 any of the Bonds and (c) will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds as any of the Bonds.

28. The transactions contemplated herein do 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.

29. 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.

30. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service.

31. On the basis of the foregoing, it is not expected that the proceeds of any of the Bonds will be used in a manner that would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

32. 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.

33. 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.

34. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

[Remainder of Page Intentionally Blank]

WITNESS my signature, dated as of the day and year first written above.

THE CITY OF HUNTINGTON

By:   
Its: Mayor

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

CERTIFICATE OF REGISTRAR

The Peoples Bank, N.A., Huntington, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies this 28th day of March, 2013 as follows, all capitalized terms used herein to have the same meanings set forth in the Bond Ordinance of The City of Huntington (the "Issuer") enacted February 25, 2013, as supplemented by Supplemental Resolution duly adopted by the Issuer on March 11, 2013 (collectively, the "Bond Legislation"):

1. The Bank is a state banking corporation duly organized, validly existing, and in good standing under the laws of the State of West Virginia, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Bond Legislation and to serve in the capacity of Registrar under the Bond Legislation.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Bond Legislation, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

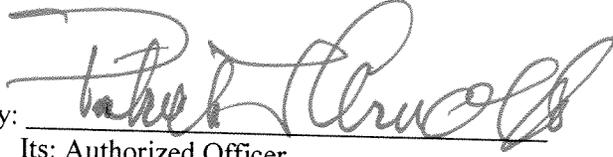
4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
<u>Patrick L. Arnold</u>	<u>Vice President</u>	<u>Patrick L. Arnold</u>

5. The Bonds have been duly authenticated, registered and delivered to the Purchaser, and the advance of the principal of the Bonds have been deposited as required by the Bond Legislation.

IN WITNESS WHEREOF, PEOPLES BANK, N.A. has caused this Certificate to be executed by its duly authorized officer, the day and year first written above.

PEOPLES BANK, N.A.

By:   
Its: Authorized Officer

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

CERTIFICATE OF PURCHASER

The Peoples Bank, N.A., Huntington, West Virginia (the "Purchaser"), as original purchaser from The City of Huntington (the "Issuer") of the above-captioned Bonds (the "Bonds"), hereby certifies that we are purchasing the Bonds for our own portfolio and none of the Bonds have been the subject of an initial offering to the public. We do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

1. The weighted average maturity of the Bonds is 1.867 years.
2. The interest rate on the Bonds is 1.99%.
3. This certificate may be relied upon by the Issuer with respect to its Certificate as to Arbitrage relating to the Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Bonds.

IN WITNESS WHEREOF, the Peoples Bank, N.A. has caused this Certificate to be executed by its duly authorized officer, this 28th day of March, 2013.

PEOPLES BANK, N.A.

By:   
Its: Authorized Officer

CHARTER  
of the  
CITY OF HUNTINGTON  
WEST VIRGINIA

\*\*\*\*\*

Prepared by the  
HUNTINGTON CHARTER BOARD and  
Revised at the Municipal General Election, June 1, 1993  
and the Special Municipal Election, November 5, 1996

PROPOSED CHARTER  
of the  
CITY OF HUNTINGTON

\*\*\*

CONTENTS

ARTICLE

- ONE: Incorporation; Form of Government; Powers
- TWO: Mayor
- THREE: Council
- FOUR: City Attorney
- FIVE: Municipal Court
- SIX: Taxation
- 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

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.

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.

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

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 than 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 II 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: T

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; and maintain 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: QUALIFICATIONS, 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

submitted to the Commission for its consideration and no such plan, plat or replat 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 shall be paid over to the Department of Administration and Finance daily or at 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

action 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

capital 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 amending 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 administer 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 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 (Further 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, the City Clerk shall cause to be published in a newspaper having general circulation 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 of general law. It shall be the duty of the City Clerk to prepare the ballot for regular and special municipal elections in accordance with the provisions of general law and not less than ten days prior to any election, the City Clerk shall cause a sample ballot to be published in a newspaper having general circulation 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 or 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 petitioners' 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 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.

SECTION 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 on the question have favored recall, the office of the individual so recalled shall be vacant.

SECTION 12.10: FILLING VACANCY CAUSED BY RECALL

When a vacancy occurs as the result of a recall election or when an officer resigns after a recall petition certified by the City Clerk to be sufficient is presented to Council, the vacancy shall be filled in accordance with the provisions of this Charter relating to the filling of vacancies in the respective office involved.

SECTION 12.11: LIMITATIONS ON RECALL

No recall petition shall be filed against any officer within six months after he or she takes office nor within six months prior to the end of his or her term. No officer shall be subjected to more than one recall election during a term 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 municipal corporation of the same name, shall succeed to, own, possess and enjoy all property and all right, title and interest of every kind and nature vested in or belonging to such municipal corporation at the time this Charter becomes effective. No action or proceeding, civil or criminal, pending at the time this Charter takes effect, brought by or against the City or any office, department, division, agency, board or officer thereof, shall be affected by the adoption of this Charter or by anything herein contained. No such action or proceeding shall abate by reason of the fact that functions, powers and duties of any office, department, division, agency, board or officer party thereto may under this Charter be assigned or transferred to another office, department, division, agency, board or officer, but in that event, the same may be prosecuted or defended by the head of the office, department, division, agency or board to which such functions, powers and duties have been assigned or transferred under this Charter.

#### SECTION 13.7: EFFECT ON EXISTING LAW

All existing ordinances and resolutions, administrative rules, regulations and practices, if not inconsistent or in conflict with this Charter, shall continue in full force and effect until repealed or modified by competent authority. All ordinances, resolutions, administrative rules, regulations and

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 administrative ability 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 administration of 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 or 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 the 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 the boundaries of the territory referred to in this Charter, as the context may require, together with the intent to maintain said usual and bona fide place of 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, 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 give bond for the faithful performance of their duties, payable to the City of Huntington, in such amounts and with such corporate surety as may be approved by Council. Council may provide for obtaining a blanket bond covering all City officers and employees, designating specific officers or employees whose bond shall be in excess of the amount of the blanket bond. The premiums on such bond or bonds shall be paid by the City after it has been ascertained that the premiums are not in excess of the

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 interest direct, indirect or by reason of ownership of stock in any corporation, in a contract with the City or in the sale of any land, material, supplies or services to the City or to any contractor supplying the City, shall make known that interest to the Mayor and Council and shall refrain from voting upon or otherwise participating in his or her capacity as a City officer or employee in the making of such sale or in the making or performance of such contract. Any City officer or employee who willfully conceals such a substantial financial interest willfully violates the requirements of this section shall be guilty of malfeasance in office or position and shall forfeit his or her office or position. Violation of this section with the knowledge, express or implied, of the person or corporation contracting with or making a sale to the City shall render the contract or sale voidable by the Mayor or Council. A "substantial financial interest" as used herein, shall be deemed to be an interest amounting to more 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 automobiles and other vehicles owned by the City shall be registered, stored and controlled when not in use or on assignment and from which the head of any office, department, division, board, commission or agency shall requisition the use of any such automobile or other vehicle as may be required in the performance of his or her duties. The Mayor or his or her designee shall establish and promulgate such rules and regulations respecting such facility as to effect the greatest possible economy and efficiency in its operation. No vehicles shall be permanently assigned to any office, department, division, board, agency or individual thereof without prior approval by Council; provided, however, such approval by Council shall not be required of any vehicle assigned to the police or fire departments. Notwithstanding any provision contained herein, no City owned vehicle shall be taken beyond the corporate limits of the City except in the performance of authorized official city business.

#### SECTION 14.12: PUBLIC ACCESSIBILITY OF RECORDS

All records and documents of every office, department, division, board, commission or agency of the City shall be open to inspection by any citizen, representative of a civic organization or representative of the press at reasonable times and under reasonable regulations established by Council. Provided, however, records and documents authorized to be excluded under Chapter 29B, Article 1, of the Official Code of West Virginia or other applicable 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 Thousand 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.  
Charles Polan, Jr., Chairman

Stephen Christian, Vice-Chairman

Tom McCallister  
Tom McCallister, Secretary

Peter Barr  
Peter Barr, Member

Garry Black, Member

Charles Dodrill  
Charles Dodrill, Member

Carol Hughes  
Carol Hughes, Member

Michael Hansouc, Member

William Newcomb, Member

Nathaniel Ruffin  
Nathaniel Ruffin, Member

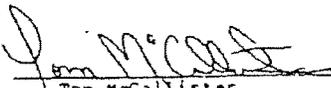
Thomas Scott, Member

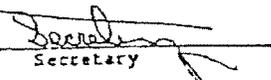
CERTIFICATE

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 compliance with Chapter 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

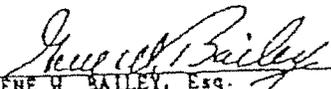
Its:   
Secretary

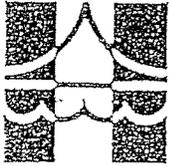
CERTIFICATE OF THE ATTORNEY GENERAL

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, Esq.  
Assistant Attorney General



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 which 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-0 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~~ shall be placed on the Agenda with or without the consent of the Chairperson.  
any Council member
- 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*

2 Ann C. Shaye, City Clerk



**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**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 MAYOR - HUNTINGTON CITY for the City of Huntington to the best of my skill and judgment, so help me God."

Signed:

Oath administered by:

Taken, subscribed and sworn to before me this 28<sup>th</sup> day of December, 2012.

NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022



**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**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:

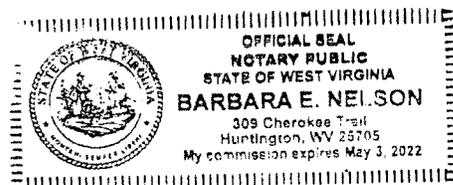
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, AT LARGE 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 24 day of December, 2012.

Barbara E Nelson  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came TOM McGUFFIN who, being by the undersigned authority first duly sworn upon oath says the following:

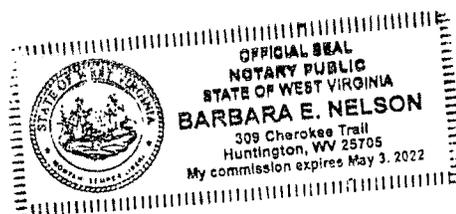
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, DISTRICT 8 for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: *Tom McGuffin*

Taken, subscribed and sworn to before me this 24 day of December, 2012.

*Barbara E. Nelson*  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

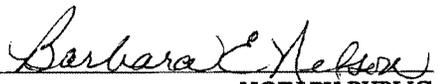
**COUNTY OF CABELL**

This day came Richard Simmons 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 HUNTINGTON CITY COUNCIL, DISTRICT 9 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 24 day of December, 2012.

  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022.





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came SANDRA M. CLEMENTS who, being by the undersigned authority first duly sworn upon oath says the following:

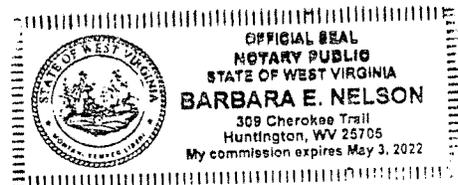
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, DISTRICT 5 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 24 day of December, 2012.

Barbara E. Nelson  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022.





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came PETE GILLESPIE who, being by the undersigned authority first duly sworn upon oath says the following:

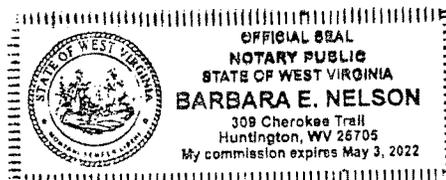
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, DISTRICT 2 for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: *Pete Gillespie*

Taken, subscribed and sworn to before me this 24 day of December, 2012.

*Barbara E. Nelson*  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022





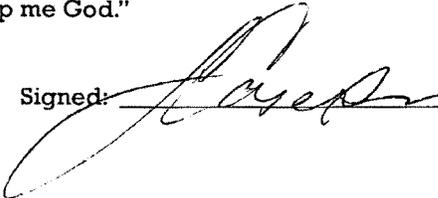
**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came SCOTT M. CASERTA who, being by the undersigned authority first duly sworn upon oath says the following:

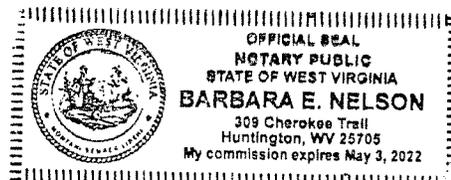
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, DISTRICT 7 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 24 day of December, 2012.

  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022.





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came MARK A. BATES who, being by the undersigned authority first duly sworn upon oath says the following:

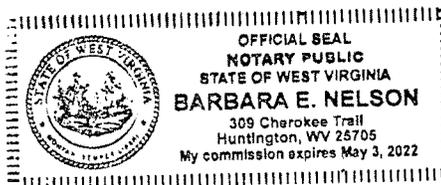
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, DISTRICT 6 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 24 day of December, 2012.

  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022.





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came DAVID G. BALL who, being by the undersigned authority first duly sworn upon oath says the following:

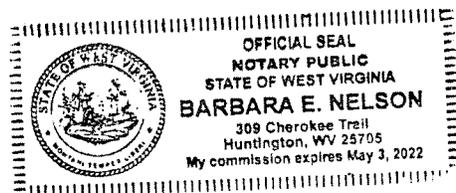
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, AT LARGE for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: David G. Ball

Taken, subscribed and sworn to before me this 24 day of December, 2012.

Barbara E. Nelson  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came GARY L. BUNN who, being by the undersigned authority first duly sworn upon oath says the following:

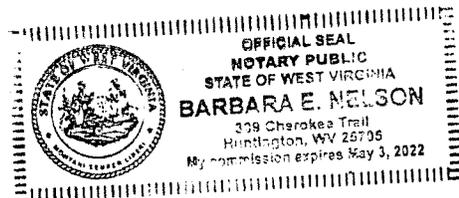
"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of HUNTINGTON CITY COUNCIL, DISTRICT 4 for the City of Huntington to the best of my skill and judgment, so help me God."

Signed: *Gary L. Bunn*

Taken, subscribed and sworn to before me this 24 day of December, 2012.

*Barbara E. Nelson*  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022.





**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**STATE OF WEST VIRGINIA**

**COUNTY OF CABELL**

This day came JOYCE CLARK 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 HUNTINGTON CITY COUNCIL, DISTRICT 1 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 24 day of December, 2012.

Barbara E Nelson

NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 20 22



**CITY CLERK**  
City Hall, Room 16  
P. O. Box 1659  
Huntington, WV 25717  
Phone: (304) 696-5530  
Fax: 304-696-5922

**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 HUNTINGTON CITY COUNCIL, DISTRICT 3 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 24 day of December, 2012.

Barbara E. Nelson  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 3 day of May, 2022

ARTICLE 169  
Sanitary Board

- |        |  |        |  |
|--------|--|--------|--|
| 169.01 | Creation; members.   | 169.03 | Rules and regulations.                 |
| 169.02 | Sewerage collection system supervision; expenditures; revenue bonds. | 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)

4

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 expenses 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 thereon 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 each 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 HORTINGTONE  
March 11, 1933.

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: James D. Ashworth

Oath administered by: Kathryn A. Tolone

Taken, subscribed and sworn to before me this 26<sup>th</sup> day of February, 2008.

Kathryn A. Tolone  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 18<sup>th</sup> 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. J. [Signature]

Taken, subscribed and sworn to before me this 18<sup>th</sup> day of June, 2008.

[Signature]  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the 18<sup>th</sup> 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. – 1<sup>st</sup> Term** REAPPOINTMENT

Motion to adopt by Councilman Adkins; 2<sup>nd</sup> 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 – 1<sup>st</sup> Term** CONFIRMATION OF APPOINTMENT

Motion to confirm by Councilman Ritter; 2<sup>nd</sup> by Councilman Insko.

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 Insko encouraged everyone to attend the East Kiwanis Pancake Breakfast on Saturday, March 15<sup>th</sup>.

Scott Caserta asked that the telephone pole be repaired in front of 821 25<sup>th</sup> Street. There still is a need to replace the light between 25<sup>th</sup> Street and Artisan Avenue and 8<sup>th</sup> 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 3<sup>rd</sup> 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: *Kathryn A. Torlone*

Taken, subscribed and sworn to before me this 15<sup>th</sup> day of January, 2011.

*Kathryn A. Torlone*  
NOTARY PUBLIC  
Cabell County, West Virginia

My commission expires the \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_



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 WY 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 II, Section 8, Articles 146, 25 and 26a of the Code of the State of West Virginia."

Councilman Caserta moved to adopt, 2<sup>nd</sup> 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 (1<sup>st</sup> full  
term)

REAPPOINTMENT

Councilwoman Clements moved to adopt, 2<sup>nd</sup> by Councilwoman Thacker.  
Upon voice vote duly taken, the appointment was approved.

Appointment: HUNTINGTON SANITARY BOARD - Kim Wolfe

APPOINTMENT

Councilman Bates moved for approval, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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 Refunding Revenue Bonds, Series 2013

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 refunding 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 \$1,450,000, for the purpose of financing the costs of refunding the Sewer Revenue Bonds, Series 2006 A of the City.

Directed this 18th day of December, 2012.

THE CITY OF HUNTINGTON SANITARY BOARD

By:   
Its: Chairman

**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.



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.

<u>Utility Excise Tax</u>		
<u>Municipality</u>	<u>Local Tax Rate</u>	<u>Surcharge Rate</u>
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:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

- $C_i$  = charge to unusual users per year
- $V_o$  = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
- $V_i$  = volume of wastewater from unusual users in gallons per year
- $B_o$  = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
- $B_i$  = weight of BOD from unusual users in pounds per year
- $S_o$  = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
- $S_i$  = 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:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

- $C_i$  = charge to unusual users per year
- $V_o$  = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
- $V_i$  = volume of wastewater from unusual users in gallons per year
- $B_o$  = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
- $B_i$  = weight of BOD from unusual users in pounds per year
- $S_o$  = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
- $S_i$  = 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: \_\_\_\_\_

LAW OFFICES  
ROBERT R. RODECKER  
BB&T SQUARE  
300 SUMMERS STREET, SUITE 1230  
POST OFFICE BOX 3713  
CHARLESTON, WEST VIRGINIA 25337

ROBERT R. RODECKER  
rodecker@wvdsi.net

JAMES V. KELSH  
OF COUNSEL  
kelshlaw@yahoo.com

AREA CODE 304  
343-1654

FACSIMILE  
343-1657

July 24, 2009

Ms. Sandra Squire  
Executive Secretary  
Public Service Commission  
201 Brooks Street  
Charleston, West Virginia 25301

WVA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

2009 JUL 24 P 1:25

RECEIVED

RE: ORDS HUNTINGTON 09A  
CITY OF HUNTINGTON SANITARY BOARD  
SEWER RATE INCREASE ORDINANCE

Dear Ms. Squire:

Enclosed herein for filing in the above-referenced matter, please find the originals and twelve (12) copies of an Affidavit evidencing publication of Tariff Form No. 12 in the *The Herald Dispatch* on June 13 and 20, 2009, and an Affidavit evidencing posting of the Tariff Form No. 12 in the Huntington City Clerk's Office for the required 30-day period. A copy of the Press Release, together with proof of its faxing to the *The Herald Dispatch* on June 10<sup>th</sup> was previously submitted with the Sanitary Board's June 15, 2009 filing of the ordinance documents.

With the submission of the enclosed documents, all post-adoption notice requirements have been met.

Sincerely,



Robert R. Rodecker  
WV Star Bar No. 3145

/bg

enclosures

cc: Cassius H. Toon, Esquire  
Loretta Covington, Executive Director

09 sewer rates\psc filing\squire letter 1

TARIFF FORM NO. 12  
PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the CITY OF HUNTINGTON has adopted by ordinance, on June 9, 2009, a tariff containing a two-phase increase in rates, tolls and charges for furnishing of sewer service by its Sanitary Board to 22,480 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 \$980,312 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)	\$ 2.62	15 %
Commercial (4,500 gal/mo)	\$ 2.62	15 %
Industrial (4,500 gal/mo)	\$ 2.62	15 %
Governmental (4,500 gal/mo)	\$ 2.62	15 %
Retail (4,597,887 gal/mo)	\$ 0	0 %

Phase II of the proposed increased rates and charges below will become effective upon completion of a sewer system upgrade project to be undertaken by the City or upon commencement of debt service associated with said project, whichever first occurs, unless otherwise ordered by the Public Service Commission, and will produce approximately \$1,143,829 annually in additional revenue, an increase of 15.4%. The average monthly bill for the various classes of customers will be changed as follows:

BASED ON	(\$) INCREASE	INCREASE (%)
Residential (4,500 gal/mo)	\$1.64	8.2 %
Commercial (4,500 gal/mo)	\$1.64	8.2 %
Industrial (4,500 gal/mo)	\$1.64	8.2 %
Governmental (4,500 gal/mo)	\$1.64	8.2 %
Retail (4,597,887 gal/mo)	\$ 782.75	8.8 %

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) 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 adversely 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 VIRGINIA,  
COUNTY OF CABELL, TO-WIT:  
I, Lacie Pearson 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 21<sup>st</sup> day of July, 2009.  
My Commission expires June 2, 2012  
Lacie Pearson  
Constance Rappola  
Notary Public  
Cabell County  
West Virginia



ORDS HUNTINGTON 09A

**Sewer Rate Increase Ordinance  
Adopted June 9, 2009**

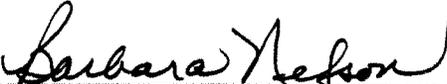
**AFFIDAVIT OF POSTING**

STATE OF WEST VIRGINIA  
COUNTY OF CABELL, to-wit:

I, Barbara Nelson, in my capacity as Clerk for the City of Huntington, duly sworn,  
state as follows:

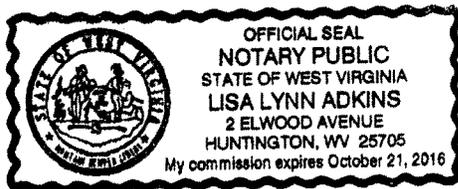
Beginning June 10, 2009, the attached Tariff Form No. 12 was posted  
in the City Clerk's Office, City Hall Building, 800 5<sup>th</sup> Avenue, Huntington,  
West Virginia, in plain view of the public and City's sewer customers.  
Said posting continued up to and including July 9, 2009.

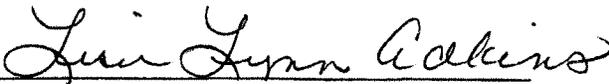
Further affiant sayeth naught.

  
\_\_\_\_\_  
BARBARA NELSON

Taken, subscribed and sworn to before the undersigned by Barbara Nelson, in  
her capacity as Clerk of the City of Huntington, in the county aforesaid this \_\_\_\_\_ day  
of July, 2009.

My commission expires: October 21, 2016



  
\_\_\_\_\_  
NOTARY PUBLIC

TARIFF FORM NO. 12

**PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES**

NOTICE is hereby given that the CITY OF HUNTINGTON has adopted by ordinance, on June 9, 2009, a tariff containing a two-phase increase in rates, tolls and charges for furnishing of sewer service by its Sanitary Board to 22,490 customers at 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 \$980,312 annually in additional revenue, an increase of 15%. The average monthly bill for the various classes of customers will be changed as follows:

<u>BASED ON</u>	<u>(\$)</u> <u>INCREASE</u>	<u>INCREASE (%)</u>
Residential (4,500 gal/mo)	\$ <u>2.62</u>	<u>15</u> %
Commercial (4,500 gal/mo)	\$ <u>2.62</u>	<u>15</u> %
Industrial (4,500 gal/mo)	\$ <u>2.62</u>	<u>15</u> %
Governmental (4,500 gal/mo)	\$ <u>2.62</u>	<u>15</u> %
Resale (4,597,667 gal/mo)	\$ <u>0</u>	<u>0</u> %

Phase II of the proposed increased rates and charges below will become effective upon completion of a sewer system upgrade project to be undertaken by the City or upon commencement of debt service associated with said project, whichever first occurs, unless otherwise ordered by the Public Service Commission, and will produce approximately \$1,143,829 annually in additional revenue, an increase of 15.4%. The average monthly bill for the various classes of customers will be changed as follows:

<u>BASED ON</u>	<u>(\$)</u> <u>INCREASE</u>	<u>INCREASE (%)</u>
Residential (4,500 gal/mo)	\$ <u>1.64</u>	<u>8.2</u> %
Commercial (4,500 gal/mo)	\$ <u>1.64</u>	<u>8.2</u> %
Industrial (4,500 gal/mo)	\$ <u>1.64</u>	<u>8.2</u> %
Governmental (4,500 gal/mo)	\$ <u>1.64</u>	<u>8.2</u> %
Resale (4,597,667 gal/mo)	\$ <u>762.75</u>	<u>8.8</u> %

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) 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 aggrieved 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 5<sup>th</sup> Avenue, Huntington, West Virginia, and the Offices of the Sanitary Board, 1217 Adams Avenue, Huntington, West Virginia.

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.

## CITY OF HUNTINGTON

**CERTIFICATE OF SERVICE**

I, Robert R. Rodecker, do hereby certify that a copy of the foregoing document has been served upon Staff Attorney Cassius H. Toon via hand delivery to 201 Brooks Street, Charleston, West Virginia, on this 24<sup>th</sup> day of July, 2009.

  
ROBERT R. RODECKER

AFFIDAVIT OF PUBLICATION

*retes*

STATE OF WEST VIRGINIA,  
COUNTY OF CABELL, TO-WIT:

I, Rebecca Dudge 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 12<sup>th</sup> day of June, 2009.

My Commission expires 8/23/2010

*[Handwritten signature]*

*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





*Bates*

SYNOPSIS  
REGULAR MEETING  
HUNTINGTON CITY COUNCIL  
May 26, 2009

Council Chairman Jim Insko called the May 26, 2009 Huntington City Council meeting to order at 7:30 p.m.

**(1 & 2) Invocation, Pledge & Roll Call:**

Chairman Insko gave the invocation and Councilman Bates led the Pledge of Allegiance.

Council members present were Bates, Caserta, Clements, Houck, Insko, 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 2<sup>nd</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> by Councilwoman Jackson.

Mr. Bocoook came forward as the resolution was read into the record. Upon voice vote duly taken, the resolution was unanimously adopted.

**(5) 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 1<sup>st</sup> 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) 1<sup>st</sup> 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) 1<sup>st</sup> 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 Insko 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) 1<sup>st</sup> 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) 1<sup>st</sup> 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) 1<sup>st</sup> 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 1<sup>st</sup>. 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 Insko 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. Insko 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. Insko 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 1<sup>st</sup> 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 9<sup>th</sup> at a special meeting at which time the hearing on the ordinance would also be held.

This ordinance will be advertised.

**(12) 1<sup>st</sup> 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) 1<sup>st</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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 Insko 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, 2<sup>nd</sup> 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 8<sup>th</sup> Street between Third Avenue, the Old Main Corridor project, and for an archway on Third Avenue @ 13<sup>th</sup> 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 Insko 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, (1<sup>ST</sup> term-filling a vacancy)**

Councilman Houck moved to approve the appointment, 2<sup>nd</sup> 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 14<sup>th</sup> 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 Insko asked that Council be provided with a final list before paving begins.

Chairman Insko reported that the roof was replaced at 414 7<sup>th</sup> 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. Insko 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 9<sup>th</sup> Ave., asked for clarification on the retroactive date of April 1<sup>st</sup> on the City Service Fee. Chairman Insko 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 4<sup>th</sup> 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 Insko called the June 8, 2009 Huntington City Council meeting to order at 7:30 p.m.

**(1 & 2) Invocation, Pledge & Roll Call:**

Chairman Insko gave the invocation and Councilman Bates led the Pledge of Allegiance.

Council members present were Bates, Clements, Insko, 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 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 2<sup>nd</sup> 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) 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 2<sup>nd</sup> 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, 2<sup>nd</sup> 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) 1<sup>st</sup> 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) 1<sup>st</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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 5<sup>th</sup> Ave. around 20<sup>th</sup> 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 9<sup>th</sup> 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 Insko 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 10<sup>th</sup> Ave., Capri Pennington of 2537 Collis Ave., Tomasina Marshall of 209 Chestnut Street all spoke against tethering animals.

Mike Pennington, 1589 19<sup>th</sup> Street W., said not all animal owners can afford to install a fence for their pets.

Leon White, 1102 17<sup>th</sup> Street, would like to see something done about animal control in Huntington because there are so many dogs running wild.

Bobby Warf, 2810 11<sup>th</sup> 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.

# AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,  
COUNTY OF CABELL, TO-WIT:

I, Becky Jacobs 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-822425 was duly published in

The Herald-Dispatch

one time, once a week for 2 successive weeks, commencing with its issue of the 12 day of February, 2013 and ending with the issue of the 19 day of February, 2013 that said legal advertisement was published on the following dates:

;

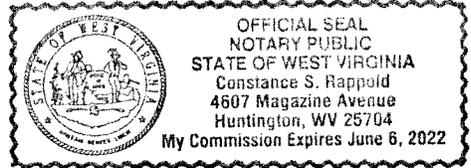
that the cost of publishing said annexed advertisement as aforesaid was \$139.91; that such newspaper in which such legal advertisement was published has been and in now published regularly, at least as frequently as once a week for at least fifty weeks during the calendar year as prescribed by its mailing 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, Putnam, 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 28th day of February, 2013.

My Commission expires June 6, 2022

Constance Rappold  
Notary Public  
Cabell County  
West Virginia

Becky Jacobs



**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, February 25, 2013, at 7:30 pm at The City of Huntington, City Hall, 800 5th Avenue, 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:

**ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 2006 A OF THE CITY OF HUNTINGTON THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN \$1,450,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2013 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF 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) refund the Issuer's Sewer Revenue Bonds, Series 2006 A; (ii) fund the Series 2013 A Bonds Reserve Account; and (iii) pay costs of issuance and related costs. This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System of the City. No taxes may at any time be levied for the payment of the Bond or the interest thereon.

The above-entitled Ordinance was adopted by the Council of The City of Huntington on January 28, 2013. 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.

Dated:  
February 6, 2013

**/s/ Steve Williams  
Mayor**

**LH-822425  
2-12,19, 2013**

**SYNOPSIS  
REGULAR MEETING  
HUNTINGTON CITY COUNCIL  
January 14, 2013**

The January 14, 2013 Huntington City Council Meeting convened at 7:30 p.m. with Chairman Mark Bates presiding.

**(1 & 2) Invocation, Pledge & Roll Call:**

Pastor Chad Hatfield gave the invocation and Councilman Gary Bunn led the Pledge of Allegiance.

Council members present were Ball, Bates, Bunn, Caserta, Clark, Clements, Gillespie, Jackson, McGuffin and Thacker. Councilman Simmons was absent.

Also present were Mayor Steve Williams, Director of Administration & Finance Brandi Jacobs-Jones, City Attorney Scott McClure, City Planner Breanna Shell, Development Director Charles Holley and City Clerk Barbara Nelson.

**(3) Synopsis of the Last Meeting:**

Councilman Caserta moved for the approval of the December 24, 2012 City Council meeting synopsis, which was seconded by Councilman Ball and approved unanimously.

**(4) Reports of the Mayor:**

Mayor Williams welcomed council members to their first official city council meeting since they took office.

Last week the City received a \$500,000 grant from the Governor's Office for the Old Main Corridor. The city's Development Department has been instrumental in this project.

A review was done of the storm sewer in the area of 5<sup>th</sup> Avenue and 21<sup>st</sup> Street where water often floods the roadway. It was found that a storm sewer has collapsed in this area. Repairs will be done in-house and it is hoped to be completed within a week.

The Huntington Fire Department's recruitment drive seeking men and women as probationary firefighters began today and runs through February 12, 2013.

All department heads were requested to provide budget cuts up to 2% and recommendations have been received and are being reviewed.

Today at 4:30 the City's online auction was closed with equipment being sold for a total \$8,851 for five items.

**(5) Good & Welfare**

Tom McCallister, Washington Ave., asked for an update on the lawsuit against the city's occupation tax. Chairman Bates stated that it was still in the judge's hands while a settlement is negotiated. With regard to storm water runoff, the courts have ruled that rainwater runoff is not a pollutant, and he asked how that will affect the city. Chairman Bates had no information on the matter at this time. Mr. McCallister hopes that a storm water utility never be enacted.

Irv Johnson, 12<sup>th</sup> Avenue, introduced himself as the newly elected Cabell County Assessor. He looks forward to working with the City in the future.

Councilman Gillespie has received calls concerning storm water drainage caps and asked for an update.

Councilwoman Clements received many calls regarding lighting on Hal Greer Boulevard. In speaking with Development Director Holley, these lights should be operating properly in the near future.

**(6) 2<sup>nd</sup> Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AMENDING SECTION 3.7 OF THE CHARTER OF THE CITY OF HUNTINGTON, WEST VIRGINIA

Councilman Caserta moved to adopt, 2<sup>nd</sup> by Councilwoman Clements.

Councilman Caserta moved to table, 2<sup>nd</sup> by Councilman McGuffin. The motion to table was adopted unanimously (10 yeas, 0 nay, 1 absent-Simmons).

**(7) 1<sup>st</sup> 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 DISTRICT FROM R-4 RESIDENCE DISTRICT THE PROPERTY LOCATED FROM 33 TO 215 6<sup>TH</sup> AVENUE WEST, CABELL COUNTY TAX MAP 28, PARCELS 505-520

City Planner Breanna Shell stated that the Planning Commission heard this petition on December 3, 2012 and it received an unfavorable recommendation with a vote of 3-1. She understands that Council will likely postpone action in order to obtain information on Planning Commission procedures.

Councilwoman Clements moved to postpone this ordinance to the February 11, 2013 meeting of City Council. Councilman Bunn seconded the motion which was adopted by unanimous voice vote.

**(8) 1<sup>st</sup> Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR AND MATERIALS FOR THE ANNUAL CONTRACT FOR 2012 – 2013 ASBESTOS ABATEMENT

Development Director Charles Holley stated that three proposals were received on December 14, 2012 for the annual asbestos abatement contract. Astar Abatement submitted the low proposal which averages \$1.78/square foot. This is a better contract than that of the previous year. This is what is used during the year to abate properties prior to demolition.

This ordinance will be advertised.

**(9) 1<sup>st</sup> Reading of an Ordinance re:** AN ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 2006 A OF THE CITY OF HUNTINGTON THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN \$1,450,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2013 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Mayor Williams reported that the Huntington Sanitary Board issued \$1,450,000 in outstanding debt and interest rates are currently lower. It is hoped that by going to market the interest rate could possibly be

cut, perhaps in half. If successful, the indebtedness could be reduced as much as \$10,000 or more. Three readings are required on this matter. Steptoe & Johnson is bond counsel who will assist in the process. There is no financial obligation on the Sanitary Board or the General Fund of the City.

Councilman Bunn asked if the city has any other bond issues that could be looked into for lower interest rates. Mayor Williams stated that the Sanitary Board has none. About two years ago the City refinanced bonds which included the Jean Dean Public Safety Building and the Civic Arena.

This ordinance will be advertised.

**(10) Resolution re:** A RESOLUTION OF COUNCIL APPROVING THE APPOINTMENT OF TYLER SMITH TO THE POSITION OF INTERIM MUNICIPAL JUDGE

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilwoman Clements.

Councilman Bunn announced he would have to recuse himself from this vote.

Mayor Williams stated this was an interim appointment. The Administration is in the process of receiving applications for the permanent appointment of the municipal judge which application process will close on January 18<sup>th</sup>. In the interim, Tyler Smith has been performing these duties for the last 6-8 weeks and it is requested that he continue in as interim judge.

Upon voice vote duly taken, the resolution was adopted (9 yeas, 0 nay, 1 recused-Bunn, 1 absent-Simmons).

**(11) Resolution re:** A RESOLUTION OF COUNCIL APPROVING THE APPOINTMENT OF SCOTT E. MCCLURE TO THE POSITION OF CITY ATTORNEY

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilman Ball.

The appointment was approved by unanimous voice vote (10 yeas, 0 nay, 1 absent-Simmons).

**(12) Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO APPLY FOR A CHANGE OF SCOPE/ACTIVITY PURSUANT TO REQUIREMENTS OF PARTICIPATING IN A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE GRANT (LEDA) WITH THE WEST VIRGINIA DEVELOPMENT OFFICE ON BEHALF OF THE RONALD MCDONALD HOUSE

Councilwoman Clements moved to adopt, 2<sup>nd</sup> by Councilwoman Jackson.

Development Director Holley explained this to be a change of scope on this LEDA grant. The Ronald McDonald House originally proposed to use the grant funds for a backup generator but the grant funds were insufficient for that project. They have requested to change the scope to now use the funds for window treatments and a projector.

Upon voice vote duly taken, the resolution was adopted (10 yeas, 0 nay, 1 absent-Simmons).

**Waive the Rules:**

Councilman Caserta moved to waive the rules to add an additional resolution to the agenda, Councilwoman Clements seconded the motion, and it was adopted by unanimous voice vote.

**(12a) Resolution re:** A RESOLUTION FOR BUDGET REVISION #8 OF THE FISCAL YEAR 2012-2013 GENERAL FUND BUDGET

Councilman Bunn moved to adopt, 2<sup>nd</sup> by Councilwoman Thacker.

Mayor Williams explained that the City received \$100,000 from the Huntington Municipal Development Authority from the sale of the City Annex Building. This resolution places those funds in the Contingency Fund. He plans to bring recommendations as to how these funds could best be utilized.

Tom McCallister felt that the amount received on the sale of the Annex Building was insufficient, especially due to the fact that the city invested much in the building over the years.

Upon voice vote duly taken, the resolution was adopted (10 yeas, 0 nay, 1 absent-Simmons).

**(13) Confirmation of Re-Appointment:** KIRK GILLENWATER – HUNTINGTON PLANNING COMMISSION (2<sup>nd</sup> term)

Councilwoman Clark moved to confirm, 2<sup>nd</sup> by Councilwoman Clements.

Councilman Bunn asked how long the appointment would be which Chairman Bates answered that this was for a three year term.

Upon voice vote duly taken, the appointment was confirmed unanimously.

**(14) Confirmation of Appointment:** COUNCILMAN DAVID BALL – HUNTINGTON CONVENTION & VISITORS BUREAU – (*replacing Nate Randolph*)

Councilwoman Clark moved to approve, 2<sup>nd</sup> by Councilman Gillespie.

Upon voice vote duly taken, the appointment was confirmed unanimously.

**(15) Confirmation of Re-Appointment:** COUNCILMAN GARY BUNN – HUNTINGTON PLANNING COMMISSION – (*replacing Jim Insko*)

Councilwoman Clark moved to approve, 2<sup>nd</sup> by Councilman Caserta.

Upon voice vote duly taken, the appointment was confirmed unanimously.

**(16) Adjournment**

There being no further business to come before Council and upon motion duly made and seconded, the meeting was adjourned.

**SYNOPSIS  
REGULAR MEETING  
HUNTINGTON CITY COUNCIL  
January 28, 2013**

The January 28, 2013 Huntington City Council Meeting convened at 7:30 p.m. with Chairman Mark Bates presiding.

**(1 & 2) Invocation, Pledge & Roll Call:**

Pastor Chuck Lawrence gave the invocation and Councilman Gillespie led the Pledge of Allegiance.

Council members present were Ball, Bates, Bunn, Clark, Clements, Gillespie, Jackson, McGuffin and Simmons. Councilman Caserta and Thacker were absent.

Also present were Mayor Steve Williams, Director of Administration & Finance Brandi Jacobs-Jones, City Attorney Scott McClure, Interim Police Chief Hank Dial, Development Director Charles Holley and Assistant City Clerk Lisa Adkins.

**(3) Synopsis of the Last Meeting:**

Councilwoman Clements moved for the approval of the January 14, 2012 City Council meeting synopsis, which was seconded by Councilman Gillespie and approved unanimously.

**(4) Reports of the Mayor:**

Mayor Williams expressed condolences and a moment of silence for the four employees that passed away in the past two weeks:

Public Works Director Chuck Cornett

Chief Auditor & Collections Supervisor, Director of Audits and Compliance, Compliance Office, Community Liaison and Director of Administration and Finance Jack Thornburgh

Meter Attendant, Parking Lot Attendant, Parts Room Clerk and parts person Bill Riley

Sanitation Laborer and Custodian in Building Maintenance Paul Shelton

The mother of our own Charles Holley-Ms. Betty Holley.

On 2/11/2013 the next council meeting at 6:30 p.m. he invited the Cabell-Wayne Legislation Delegation to join us in the Mayor's conference room to have the opportunity to sit down with us to discuss issues, meet the council and become familiar with the districts served. They go into session the following Wednesday on February 13<sup>th</sup>. Also, the Neighborhood Institute is having a reception for the Mayor and Council, following that we will go into discussion with the Cabell Wayne Legislative Delegation. This is also open to the public. On Friday, February 15<sup>th</sup> at 3:00 p.m. in the Council Chambers, he stated that he will be delivering the State of the City message and will be delivering the City Budget to the Council at that time. The Police Department develops an annual report of crime statistics in each council district and Capt. Dial will give a detailed report.

Captain Dial explained that he placed annual reports in the council mailboxes. These will provide a quarterly update in each district of crimes in the area.

Councilman David Ball asked for an update on the shooting in the west end area. Captain Dial answered that it was an ongoing investigation and could not go into details but it was a drug related incident and that the victim shot was armed at the time.

**(5) Good & Welfare**

Noel Jordan, 1118 10<sup>th</sup> Avenue, spoke about the homeless and empowerment of women for equal job opportunities and equal money in the work place. He challenged council to manage a dream list of things this community we can strive for as well as financial pragmatism.

Joseph Pniewski, 1224 18<sup>th</sup> Street, pointed out that the lights that are out on 18<sup>th</sup> Street and need repaired.

Tom McCallister, 417 Washington Ave., asked for answers on the Occupation Tax. Chairman Bates answered that the Mayor gave an update at the work session this past Thursday and that it is in negotiation stage. Mr. McCallister also asked for an update on the EPA report of contaminated runoff water that would have to be treated to which Chairman Bates answered that it was being worked on as well. Chairman Bates suggested to Mr. McCallister to give the new Administration a little more time to assess the issues and make recommendations to the Council. Mr. McCallister asked for current information on the Huntington Sanitary Board and the discharge into the river. Chairman Bates stated when we receive our complete updates we will know more.

Teresa Lucas, 427 7<sup>th</sup> Street, spoke about Green Technology Sewer System Grants. Upon researching this she didn't get very far because it stated that you needed a governing body to call the EPA. She feels council should pursue this technology.

Dan Kemper, 54 Mayfair Way, asked about the budget on revenues from property taxes, B&O Taxes, utility tax, city service fees and municipal service fees. Chairman Bates offered to look over the budget and explain it to him at a later time. He spoke about other sources of revenue such as state and federal grants. He would like to try to find some revenue sources to meet the needs of the city. He stated that the wooden barrier guardrails in Stamford Park on the hillside have been torn down by a motorist which probably saved the motorist's life and asked if we could replace these guardrails especially where it is steep. He gave pictures to the Assistant City Clerk Lisa Adkins to give to the Mayor's office.

Chairman Bates explained how McCoy Road received guardrails from the state and installed it for a third of the price. The Mayor's office can get this down to the engineering department and look into it.

Jack Clouse, 526 11<sup>th</sup> Avenue, stated that recently paved 11<sup>th</sup> Avenue has a stop sign that driver's ignore while speeding down these roads. He gave several solutions for traffic safety devices.

Councilman Gillespie asked for the city to check on a house that is open to the elements at 854 Bronson Court. This could result in safety issues with vagrants and children.

Councilman Ball congratulated Sarah Kay who came from South Africa and is a member of the Marshall University swimming and dive team. She was a medalist in two events and named the Conference USA swimmer of the week. All of these ladies from Marshall University graduate and are the epitome of student athletes, he is very proud of each one of them. He congratulated then stated he was proud of the firefighters on all shifts, Dave Ferguson from maintenance and Deputy Chief Dave Roberts for completing repairs at Station 1 on the heat and air units that were not working. He reported that the heating system is now up and operational as well as the air conditioning for the spring and summer. He also praised the sanitation workers and wished Chris Weekly in sanitation a speedy

recovery. He reminded Council and department heads about the fire house tours starting this Thursday at 10:00 a.m. at the Westmoreland Station and moving east, stopping for lunch at the #1 station.

**(6) 2<sup>nd</sup> Reading of an Ordinance re:** AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR AND MATERIALS FOR THE ANNUAL CONTRACT FOR 2012 – 2013 ASBESTOS ABATEMENT

Councilwoman Clements moved to adopt, 2<sup>nd</sup> by Councilwoman Jackson.

Director of Development and Planning Charles Holley explained that this is the annual contract for asbestos abatement. They received a price of \$1.78 which is less than what we received last year \$2.29 per unit cost. The contract will be for one year.

Upon roll call vote duly taken, the ordinance was adopted (9 yeas, 2 absent-Caserta and Thacker).

**(7) 2<sup>nd</sup> Reading of an Ordinance re:** AN ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 2006 A OF THE CITY OF HUNTINGTON THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN \$1,450,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2013 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Huntington Sanitary Board Director Kit Anderson explained this is the 2<sup>nd</sup> of three readings. It's unique because it's an opportunity to potentially refinance. This is for the opportunity to look at refinancing a certain set of bonds at the HSB. The Huntington Sanitary Board will get interest rates that are competitive enough to make it economically advantageous to do so and if there isn't we do not do anything or pay legal fees. Current interest rates are over 4.25 and 4.5%. We have seen interest rates as low as 2%. If the savings are less than \$10,000 then we won't do it but hopefully we can get more than that.

No vote taken, will advertise for 3<sup>rd</sup> reading.

**(8) Resolution re:** A RESOLUTION OF COUNCIL DESIGNATING MAIN STREET WITHIN THE CITY OF HUNTINGTON, IN THE GUYANDOTTE COMMUNITY, AS "MICHAEL O. KATRINIC WAY"

Councilman Simmons moved to adopt, 2<sup>nd</sup> by Councilman McGuffin.

Councilman Simmons asked Chairman Bates for the Resolution to be read into record in its entirety by Assistant City Clerk Lisa Adkins, it was read into record.

Councilman Simmons commented that Mr. Katrinic was an unsung hero and it is up to the people to continue the legacy. He explained that Mr. Katrinic was very deserving of this honor serving his country with honor, integrity and pride. He also served his community in the same fashion, he then introduced Mr. Katrinic's mom to speak.

Alice "Pinky" Dement, Mr. Katrinic's mother, thanked everyone for coming out to help honor her son Mike with a special thanks to those who made this recognition possible. She spoke about his veteran days, his compassion for families/veterans and how much he loved Guyandotte.

Wes Shephard, President and Post Commander of 9738, stated that he was not lucky enough to know Michael Katrinic but has heard nothing but good and honorable comments about him. He said that his legacy will live a long time in the community of Guyandotte. He agrees with this resolution.

Upon voice vote duly taken, the resolution was unanimously adopted.

**(9) Resolution re: A RESOLUTION FOR BUDGET REVISION #9 OF THE FISCAL YEAR 2012-2013 GENERAL FUND BUDGET**

Councilman Bunn moved to adopt, 2<sup>nd</sup> by Councilwoman Clements.

Finance Director Deron Runyon gave an overview of the multi-part budget revision which included the monies from the sale of the Annex Building. He spoke about the line item for the Cabell County Public Library. As the Annex building is torn down the library owns the parking next door and will allow them to pay for a portion of the cost to make sure the parking that is still left at the library will be safe when the building is torn down.

Tom McCallister, 317 Washington Avenue does not support this funding for the Cabell County Library.

Joe Vengum, 1328 Enslow Boulevard, supports the budget for the funding of the library parking.

Judy Rule, Director of the Cabell County Public Library, gave an explanation that the library needed a guardrail when the building comes down on the 2<sup>nd</sup> level on 5<sup>th</sup> Street so that cars will not go over into the parking lot being built. She supports this budget resolution.

Upon voice vote duly taken, the resolution was unanimously adopted.

**Waive the Rules:**

Councilwoman Clark moved to waive the rules to add an additional resolution to the agenda, Councilman Ball seconded the motion, and it was adopted by unanimous voice vote.

**(9a) Resolution re: A RESOLUTION OF COUNCIL APPROVING THE HOME INVESTMENT PARTNERSHIP PROGRAM GRANT ALLOCATION FOR FISCAL YEAR 2012-2013**

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilwoman Clements.

Charles Holley, Director of Development of Planning explained the HOME Board approved 2 projects for consideration. The first, a rehabilitation of a 6 unit apartment complex located at 749 3<sup>rd</sup> Street West. The total cost is \$450,000 and have requested \$100,000 in HOME funds which represents about 22% of the total projects cost. The 2<sup>nd</sup> project approved was Huntington WV Habitat for Humanity with a total cost of \$216,000 used to construct four (4) new residential single family homes that total \$75,000 or 35% of the total project cost.

Councilwoman Clark asked for an explanation where HOME monies come from to which he stated that the HOME funds are a federal grant that we receive each year. Cabell County, Wayne County and the City of Huntington are a consortium and we received about \$600,000 last year which is down considerably from recent years where we received over one million dollars. The city's allocation was \$176,000 this year so this basically allocates the majority of the funds less about a thousand dollars that was allocated to the city.

Councilwoman Clark supports this resolution.

Upon voice vote duly taken, the resolution was unanimously adopted.

**(10) Reappointment:** BOARD OF ZONING APPEALS – Brian D. Byrd (Alternate-2<sup>nd</sup> term)

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilman Ball.

Councilwoman Clark said this comes with a favorable recommendation by the personnel committee.

Upon voice vote duly taken, the appointment was unanimously approved.

**(11) Appointment:** TRI-STATE AIRPORT AUTHORITY – Mayor Steve Williams (End of Term)

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilman Simmons.

Councilwoman Clark said this comes with a favorable recommendation by the personnel committee.

Upon voice vote duly taken, the appointment was unanimously approved.

**(12) Appointment:** HUNTINGTON PLANNING COMMISSION – Mayor Steve Williams (End of Term)

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilwoman Jackson.

Councilwoman Clark said this comes with a favorable recommendation by the personnel committee.

Upon voice vote duly taken, the appointment was unanimously approved.

**(13) Re-Appointment:** FIRE CIVIL SERVICE COMMISSION – Timothy Carpenter (3rd Term)

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilman McGuffin.

Councilwoman Clark said this comes with a favorable recommendation by the personnel committee.

Upon voice vote duly taken, the appointment was unanimously approved.

**(14) Re-Appointment:** CABELL HUNTINGTON HOSPITAL BOARD OF DIRECTORS – Carolyn Bagby (term expiration 1/2016).

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilman McGuffin.

Councilwoman Clark said this comes with a favorable recommendation by the personnel committee.

Upon voice vote duly taken, the appointment was unanimously approved.

**(16) Adjournment**

There being no further business to come before Council and upon motion duly made and seconded, the meeting was adjourned.

**SYNOPSIS  
REGULAR MEETING  
HUNTINGTON CITY COUNCIL  
February 25, 2013**

The February 25, 2013 Huntington City Council Meeting convened at 7:30 p.m. with Chairman Mark Bates presiding.

**(1 & 2) Invocation, Pledge & Roll Call:**

Pastor David Richards gave the invocation and Councilwoman Clements led the Pledge of Allegiance.

Council members present were Ball, Bates, Bunn, Caserta, Clark, Clements, Gillespie, Jackson, McGuffin, Simmons and Thacker.

Also present were Mayor Steve Williams, Director of Administration & Finance Brandi Jacobs-Jones, City Attorney Scott McClure, Development Director Charles Holley, Sanitary Board Director Kit Anderson and City Clerk Barbara Nelson.

**(3) Synopsis of the Last Meeting:**

Councilwoman Thacker moved for the approval of the February 13, 2013 City Council meeting synopsis, which was seconded by Councilman Gillespie and approved unanimously.

**(4) Reports of the Mayor:**

Mayor Williams extended congratulations to the Huntington High School Wrestling Team which won the state championship on Saturday. This is the very first state title in the history of Huntington High School. The state meet was held here in Huntington.

Billboard Magazine recently listed Huntington's Big Sandy Superstore Arena at number 14 on its Annual State of the Market Look at New & Renovated Venues.

The WV Municipal League's mid-winter conference was recently held and Mayor Williams was elected to the Board of Directors. Work is being done at the League with regard to extending the Home Rule Program. There seems to be strong support for the extension.

A graffiti bill was introduced in the Senate, passed and is on its way to the House. We hope to see some action on this quickly.

Mayor Williams will spend at least one day per week in Charleston during the Legislative sessions.

**(5) Good & Welfare**

Joseph Pniewski, 18<sup>th</sup> Street, reported several non-functioning street lights to American Electric Power and they are now working. Crime increases when these lights are not working and he encouraged the administration and citizens to report outages.

Arthur "Dino" Battista, 27<sup>th</sup> Street, spoke on his hopes and goals for the City of Huntington's future.

Tom McCallister, Washington Ave., spoke in opposition of Home Rule. He questioned if we were hiring a new Director of Public Works. Chairman Bates stated that the proposed 2013-14 Budget includes a request to hire an Assistant Director of Public Works. Mr. McCallister spoke against how the

2/23/13 Special Call/Budget Meeting was handled by going through all departments in one day. Chairman Bates stated there would be more budget meetings and invited Mr. McCallister to attend.

John Belcher, President of the Guyandotte Historic Association, expressed thanks for the assistance he has received from the Development & Planning Department.

Eva Short, 8<sup>th</sup> Avenue, reported that the property at 2901 8<sup>th</sup> Avenue is being used as a dump site and the structure on this property has been burned out. This is an eyesore and health hazard. The sidewalk on 8<sup>th</sup> Avenue is in disrepair and needs replaced.

Councilman Ball stated that there are trash problems throughout the city that need addressed.

Councilwoman Thacker received calls regarding 408 Main Street where there the building has been burned out and needs put on the demolition list. A pothole needs filled at 26<sup>th</sup> Street and 3<sup>rd</sup> Avenue.

Councilman Gillespie thanked the Public Works Department for quick reaction to a storm drain issue at 6<sup>th</sup> Street & Jefferson Ave.

Councilman Simmons expressed appreciation for quick reaction to a hole made by Mountaineer Gas in the Guyandotte area. He asked how much the City pays the power company each year. Mayor Williams reported it to be approximately \$360,000/year.

Councilman Caserta, with regard to comments about Saturday's Budget Session, stated that efficiency creates expediency.

Councilman Bates reported that Mayor Williams is to meet with Appalachian Power soon to discuss the streetlight situations throughout Huntington. He reported that none of the streetlights on Route 60 from Arlington Boulevard are working and should be mentioned in this meeting.

Councilman McGuffin reported that the structure at 55/55½ 26<sup>th</sup> Street is burned out and needs attention.

✓ **(6) 3<sup>rd</sup> Reading of an Ordinance & Public Hearing re:** AN ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWER REVENUE BONDS, SERIES 2006 A OF THE CITY OF HUNTINGTON THROUGH THE ISSUANCE BY THE CITY OF HUNTINGTON OF NOT MORE THAN \$1,450,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2013 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

Councilman Bunn moved to adopt, 2<sup>nd</sup> by Councilman Gillespie.

John Stump, Bond Counsel for the Huntington Sanitary Board, reported that this was the third reading regarding this bond refinancing ordinance and also serves as the public hearing for the same. Five banks provided proposals on this refinancing and the Sanitary Board will be considering those Wednesday to determine the lowest responsible bidder. If approved, Council will be presented with a Supplemental Resolution for consideration at the next regular meeting.

Chairman Bates asked for public comment at this time.

Tom McCallister asked the current rate of the bonds. Mr. Stump stated that they were publicly issued thus they have different rates. Mr. McCallister suggested that proposed US Senate Bill 335 be carefully reviewed. Mr. Stump stated that the interest rates received on this proposed bond refinance came in at a range of 1.8% to 2.65%.

Chairman Bates asked if there were further comments. There being none, the public comment was closed and the vote called for.

Upon roll call vote duly taken, the ordinance was adopted (11 yeas, 0 nay).

**(7) 2<sup>nd</sup> Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT ON BEHALF OF THE HUNTINGTON SANITARY BOARD FOR THE PROCUREMENT OF WASTEWATER TREATMENT FACILITIES SLUDGE LOADING CONVEYORS PROJECT**

Councilwoman Clements moved to adopt and Councilwoman Clark seconded.

Mayor Williams stated that this was for the sludge loading conveyor project at the Sanitary Board. The winning bidder was U.S. Bearing & Power Transmission, Inc. of Teays Valley, WV at a total cost of \$54,180. This equipment will aid in efficiencies of loading sludge into trucks for transport to the landfill.

Tom McCallister stated that there were funds left over from the sewer line extension project to Kinetic Park and this project is to be paid from those funds. He feels this to be a misappropriation of those funds. Those funds could have been used to repair the furnace at the HSB. He asked how much sludge was being transported and about tipping fees. Councilman Ball pointed out that this equipment was being purchased to increase efficiencies. He also pointed out that Mr. McCallister was off the subject of this particular purchase of equipment.

Dino Battista opposes this ordinance.

Upon roll call vote duly taken, the ordinance was adopted (11 yeas, 0 nay).

**(8) 1<sup>st</sup> Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 534 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, REGARDING JUNK STORAGE**

Director of Administration & Finance Jacobs-Jones stated that this was a portion of the Quality of Life Initiative of Mayor Williams. This ordinance would prohibit certain items being stored in an outside area such as a porch or deck. The prohibition would include: lumber and other building materials except those related to projects for which a valid building permit has been issued, equipment/materials used in the construction trade, upholstered furniture, mattress, materials and other products not designed, built and manufactured for outdoor use unless there is an enclosed porch, balcony or storage facility. Enforcement is for rental properties, for that of the tenant and in the event of eviction or vacated unit, then the responsibility falls on the property owner.

Councilman Gillespie moved and Councilman Simmons seconded to amend Section 534.04 to read as follows: 532.04 Prohibited Acts. (3) Mattress, upholstered furniture whereas no more than 50% of the structure is permanently upholstered, upholstered furniture materials must conform to local and state laws in regards to mold, rot, water resistant and fire retardant capabilities, similar products not designed, built and manufactured for outdoor use unless such is in an enclosed porch or balcony. Items intended for outdoor usage may be allowed to occupy the front yard if they are located entirely upon porches, decks, and patios. Items intended for outdoor usage that are not located upon porches, deck, patios, and decks within the front yard will be allowed only if accompanied by the user but may not remain in such front yard overnight with the exception of items intended and designed for outdoor decorative purposes.

Councilman Gillespie proposed this amendment due to concern that some upholstered furniture can be transitional pieces; i.e. church pews, ice cream chairs, and some rocking chairs. Fabrics on such transitional pieces can be several materials that would conform to non-mold, water resistance and some flammable capabilities. He does not want to impose a law that would prohibit someone from taking an ice cream chair from their kitchen and covering it with appropriate material for use on a porch. Otherwise, he concurs with the proposed ordinance.

Councilman Simmons has been contacted by several constituents on this ordinance expressing concern.

Mayor Williams suggested that this go to committee so that any amendment proposed could be perfected.

Councilman Gillespie withdrew his motion to amend at this time and Councilman Simmons as the second concurred. This was with the intent that it would be referred to a committee for review.

Councilman Simmons moved to refer this ordinance to the Public Safety Committee for review and Councilman Caserta seconded. Upon voice vote duly taken, the referral was unanimously adopted. This will be back as a first reading.

**(9) 1<sup>st</sup> Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 970 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, REGARDING EROSION AND SEDIMENT CONTROL**

Mayor Williams reported that this is a proposed revision to erosion and sediment control ordinance in order to become compliant with EPA standards.

Councilman Caserta moved to refer this to the Storm Water Committee and come back as a 2<sup>nd</sup> reading at the next regular meeting and Councilman Simmons seconded.

Councilwoman Clements asked if this was a time sensitive issue. Mayor Williams stated that the referral would not be a problem if this comes back as a second reading.

Upon voice vote duly taken, the motion to refer to the Storm Water Committee was approved unanimously. This will be back as a second reading.

This ordinance will be advertised.

**(10) Resolution re:** A RESOLUTION FOR BUDGET REVISION #10 OF THE FISCAL YEAR 2012-2013 GENERAL FUND BUDGET

Councilman Bunn moved to adopt, 2<sup>nd</sup> by Councilwoman Clements.

Finance Director Deron Runyon explained that this is a mid-year revision. Items of note include a decrease in the Police Department due to pension contribution and a slight increase in the Fire Department for pensions as well; there is a \$40,000 increase for the Animal Shelter to bring the total contribution to \$100,000 for the year. Chairman Bates pointed out that this contribution to the Animal Shelter will fully fund the City's 2013 fiscal year commitment.

Upon voice vote duly taken, the resolution was adopted unanimously (11 yeas, 0 nay).

**(11) Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE (LEDA) GRANT IN THE AMOUNT OF ONE THOUSAND DOLLARS (\$1,000.00) ON BEHALF OF THE CARTER G. WOODSON FOUNDATION

Councilwoman Clements moved to adopt, 2<sup>nd</sup> by Councilman Simmons.

Development Director Holley stated that this and the next resolution will both provide grant funds that will be used for upgrades at the Memphis T. Garrison House.

Nawatha Meyers, President of the Carter G. Woodson Foundation, thanked the City and the local Delegates for their grant funding assistance.

Upon voice vote duly taken, the resolution was adopted unanimously (11 yeas, 0 nay).

**(12) Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A LOCAL ECONOMIC DEVELOPMENT ASSISTANCE (LEDA) GRANT IN THE AMOUNT OF TWO THOUSAND DOLLARS (\$2,000) ON BEHALF OF THE CARTER G. WOODSON FOUNDATION

Councilwoman Clements moved to adopt, 2<sup>nd</sup> by Councilman McGuffin.

Upon voice vote duly taken, the resolution was adopted unanimously (11 yeas, 0 nay).

Councilwoman Clements recognized and congratulated Ms. Meyers for her national award for work she has done with the Carter G. Woodson Foundation.

**(13) Resolution re:** A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO APPLY FOR AND ENTER INTO A CONTRACT FOR WEST VIRGINIA GOVERNOR'S COMMUNITY PARTICIPATION PROGRAM FUNDS

Councilwoman Clements moved to adopt, 2<sup>nd</sup> by Councilman Gillespie.

This \$2,800 grant will be used to replace the stove at the A. D. Lewis Community Center.

Upon voice vote duly taken, the resolution was adopted unanimously (11 yeas, 0 nay).

**(14) Resolution re:** A RESOLUTION OF COUNCIL DESIGNATING AND CERTIFYING A PORTION OF THE FAIRFIELD WEST NEIGHBORHOOD AS A SLUM OR BLIGHTED AREA

Councilwoman Clements moved to adopt, 2<sup>nd</sup> by Councilwoman Jackson.

Mr. Holley stated that this includes the area from 20<sup>th</sup> Street to Hal Greer Boulevard (16<sup>th</sup> Street) and from 9<sup>th</sup> Avenue to Charleston Avenue. A study of the area shows that 11.9% of the building are vacant, 41.4% of the buildings are code deficient or economically infeasible to rehabilitate and 24.4% of the parcels of land are vacant. The area meets almost every criteria of State Law for a slum/blighted designated area.

Councilwoman Clements thanked the administration for coming to the Fairfield West neighborhood to discuss and explain this designation to the citizens.

Dino Battista spoke about trash concerns in his neighborhood.

Upon voice vote duly taken, the resolution was adopted unanimously (11 yeas, 0 nay).

**(15) Appointment:** HUNTINGTON MUNICIPAL DEVELOPMENT AUTHORITY – David Ball (filling unexpired term)

Councilwoman Clark moved to adopt, 2<sup>nd</sup> by Councilman Simmons.

Councilwoman Clark reported that the Personnel Committee reviewed this appointment and gave it a favorable recommendation.

Upon voice vote duly taken, the appointment was approved unanimously (11 yeas, 0 nay).

**(16) Confirmation of Appointment:** HUNTINGTON MUNICIPAL PARKING BOARD - Herb Stanley (filling an unexpired term)

Councilwoman Clark moved to confirm, 2<sup>nd</sup> by Councilman Gillespie.

The Personnel Committee met with Mr. Stanley, who previously served on the Municipal Parking Board, and gave the appointment a favorable recommendation.

Upon voice vote duly taken, the appointment confirmation was unanimously approved (11 yeas, 0 nay).

**Executive Session:**

Councilman Simmons moved to adjourn to executive session to discuss personnel matters and also in accordance with attorney client privilege to consider potential litigation. Councilwoman Thacker seconded the motion which was adopted by unanimous voice vote.

Upon motion duly made and seconded, the meeting was reconvened following executive session. Chairman Bates called the meeting back to order.

**Waive the Rules:**

Councilman Ball moved to waive the rules to add two additional items to the agenda, Councilman Gillespie seconded, and the motion was adopted by unanimous voice vote.

**(17A) 1<sup>st</sup> Reading of an Ordinance re:** AN ORDINANCE OF THE CITY OF HUNTINGTON COUNCIL AMENDING MODIFYING AND REENACTING ARTICLE 774 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, CONCERNING MUNICIPAL OCCUPATION TAX

Mayor Williams explained that approval will rescind the Occupation Tax Ordinance which has been held by the administration. There have been discussions with regard to the lawsuit regarding the Occupation Tax and Home Rule legislation. Opposing counsel indicates that the plaintiffs have withdrawn their request for the City to pay their attorneys' fees which was a critical issue for the City.

There was no further discussion. This will be advertised for a second reading.

**(17B) Resolution re:** A RESOLUTION OF COUNCIL CONFIRMING THE APPOINTMENT OF CARL EASTHAM TO THE POSITION OF FIRE CHIEF FOR THE CITY OF HUNTINGTON

Councilman Ball moved to adopt, 2<sup>nd</sup> by Councilman Bunn.

Mayor Williams stated that this was for confirmation of Carl Eastham as the next Fire Chief for the City of Huntington. Mr. Eastham previously served on the department with distinction and retired as a captain after 26 years. He knows his way around the Legislature and knows the budgeting process.

Councilman Ball noted that Mr. Eastham was instrumental in the changes made to the Firemen's Pension System.

Upon roll call vote duly taken, Carl Eastham was unanimously confirmed as the City of Huntington Fire Chief (11 yeas, 0 nay).

**(18) Adjournment**

There being no further business to come before the meeting and upon motion made and seconded, the meeting was adjourned.

THE CITY OF HUNTINGTON

Sewer Refunding Revenue Bonds, Series 2013 A

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 11th day of March, 2013, in Huntington, West Virginia, at the hour of 7:30 p.m.

PRESENT:     Steve Williams           - 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  
              Frances Jackson      - Councilmember

ABSENT:       none

Steve Williams, 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 PARAMETERS AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2013 A OF THE CITY OF HUNTINGTON;

AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS; APPROVING THE FORM OF CERTIFICATE OF DETERMINATIONS; 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 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 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.

[Remainder of Page Intentionally Blank]

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 28th day of March, 2013.

  
City Clerk

**WV MUNICIPAL BOND COMMISSION**

900 Pennsylvania Avenue  
Suite 1117  
Charleston, WV 25301  
(304) 558-3971

**NEW ISSUE REPORT FORM**

Date of Report: 3/28/2013

ISSUE: The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

ADDRESS: P.O. Box 1659, Huntington, West Virginia 25717 COUNTY: Cabell

PURPOSE OF ISSUE:

New Money: \_\_\_\_\_  
Refunding: x

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 3/28/2013

CLOSING DATE: 3/28/2013

ISSUE AMOUNT: \$1,059,500

RATE: 1.99%

1ST DEBT SERVICE DUE: 5/1/2013

1ST PRINCIPAL DUE: 5/1/2013

1ST DEBT SERVICE AMOUNT \$25,568.11

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:

Firm: Steptoe & Johnson PLLC  
Contact John Stump, Esquire  
Phone: (304) 353.8196

UNDERWRITERS COUNSEL

Firm: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_

CLOSING BANK:

Bank: Peoples Bank  
Contact: Patrick Arnold  
Phone: 304.528.2470

ESCROW TRUSTEE:

Firm: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT

Contact: Steve Williams  
Position: Mayor  
Phone: 304.696.5540

OTHER:

Agency: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Position: \_\_\_\_\_  
Phone: \_\_\_\_\_

DEPOSITS TO MBC AT CLOSE

By:	<u>Wire</u>	Accrued Interest:	_____
	<u>x</u> <u>Checks</u>	Capitalized Interest:	_____
		<u>x</u> Reserve Account:	<u>\$105,950.00</u>
		<u>x</u> Other: 2006 A Prepayment Fund	<u>\$927,930.54</u>

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:	<u>Wire</u>	To Escrow Trustee	_____
	<u>Check</u>	To Issuer	_____
	<u>x</u> <u>IGT</u>	To Cons. Invest. Fund	_____
	Series 2006 A Sinking Fund	<u>x</u> To Other: 2006 A Prepayment Fund	<u>\$538,812.24</u>
	Series 2006 A Reserve Account		

NOTES: The Series 2013 A Bonds Reserve Account will be fully funded with bond proceeds. At closing, the MBC will transfer \$223,597.14 from the 2006 A Sinking Fund and \$315,215.10 from the 2006 A Reserve Account to the Series 2006 A Bond Prepayment Fund to pay the Series 2006 A Bonds in full and to pay the MBC fees.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: \_\_\_\_\_  
TRANSFERS REQUIRED: \_\_\_\_\_

[to be sent via registered or certified mail to Bond Insurer, Original Purchaser, EMMA, Standard & Poor's Called Bond Record and the Depository Trust Company at least 30 days and not more than 60 days prior to the Redemption Date]

NOTICE OF REDEMPTION  
ON MARCH 15, 2013  
THE CITY OF HUNTINGTON (WEST VIRGINIA)  
SEWER REVENUE BONDS, SERIES 2006 A (TAX-EXEMPT)

Notice is hereby given that, The City of Huntington (the "Issuer"), pursuant to a Bond Ordinance enacted February 25, 2013 (the "Bond Ordinance"), as supplemented by a Supplemental Parameters Resolution adopted March 11, 2013 (collectively, the "Supplemental Resolution"), will issue its Sewer Refunding Revenue Bonds, Series 2013 A, dated March 28, 2013, in the original aggregate principal amount of \$1,059,500 (the "Series 2013 A Bonds"), for the purpose of effecting the current refunding of entire outstanding principal amount of its 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") in accordance with the redemption provisions of the Bond Ordinance enacted by the Issuer on January 10, 2005, as supplemented by the Supplemental Resolution adopted by the Issuer on October 23, 2006. The Series 2006 A Bonds are to be redeemed in their entirety on April 15, 2013 (the "Redemption Date"). The payment which is to be made in order to effect such redemption in each case will include the principal amount at 100% of par (the "Redemption Price"), and accrued interest to the redemption date as follows:

<u>Bond No.</u>	<u>Cusip No.*</u>	<u>Unpaid Principal</u>	<u>Redemption Price</u>	<u>Principal Redemption</u>
AR-7	446834 EF6	\$335,000	100%	\$335,000
AR-8	446834 EG4	\$350,000	100%	\$350,000
AR-9	446834 EH2	\$365,000	100%	\$365,000
AR-10	446834 EJ8	\$385,000	100%	\$385,000

On the Redemption Date the Redemption Price and all interest accrued on the Series 2006 A Bonds will become due and payable upon the Series 2006 A Bonds and interest thereon shall cease to accrue from and after said date. On the Redemption Date there will be on deposit with the Registrar for the Series 2006 A Bonds an amount sufficient to pay, on the Redemption Date, the Redemption Price of the Series 2006 A Bonds and the interest accrued and to accrue thereon.

The redemption described above is conditional on and subject to there being on deposit in the applicable funds and accounts with the Registrar on the Redemption Date

sufficient moneys to pay the full Redemption Price of the Bonds. If such redemption moneys are not on deposit on the Redemption Date, this notice shall be of no force and effect, the Bonds shall not be redeemed pursuant hereto, and the Registrar shall give notice that such moneys were not received. Failure to make such deposit shall not constitute a default under the Bond Ordinance.

All Series 2006 A Bonds outstanding may be surrendered for payment and delivered to the Registrar at the following address:

United Bank, Inc.  
500 Virginia Street, East  
Charleston, West Virginia 25301  
Attention: Corporate Trust Department

These securities will become due and payable on the Redemption Date at the office of the Registrar as indicated above.

Date of Notice: March 15, 2013

*Under the provisions of the Interest and Dividend Tax Compliance Act of 1983, Registrars and Paying Agents may be obligated to withhold 31% from payments of principal to individuals who have failed to furnish the Registrar and Paying Agent with a valid Taxpayer Identification Number. Holders of the above stated securities who wish to avoid the application of these provisions should submit certified Taxpayer Identification Numbers on Form W-9 when presenting their bonds. The above CUSIP Numbers are provided solely for the convenience of the bondholders. The Registrar does not certify as to their correctness or completeness.*

*\*The above CUSIP Numbers are provided solely for the convenience of the bondholders. The Registrar does not certify as to their correctness or completeness.*



EMMA® - Electronic Municipal Market Access  
The Official Source for Municipal Disclosures and Market Data

MyEMMA | Alerts | Feedback | Contact

About EMMA	Search	529 Plans	Market Activity	Education Center	EMMA Dataport	Quick Search	Enter CUSIP or Name	
------------	--------	-----------	-----------------	------------------	---------------	--------------	---------------------	--

Home > Market Activity > Continuing Disclosure

### Continuing Disclosure Details

#### EVENT FILING (CUSIP-9 BASED)

##### Rule 15c2-12 Disclosure

Bond Call: Notice of Redemption, dated 03/13/2013

Total CUSIPs associated with this submission: 4

#### VIEW DOCUMENTS

##### Event Filing dated 03/13/2013

City of Huntington Notice of Redemption 2013-04-15.pdf posted 03/13/2013 [View](#)

#### [+] CUSIP-6s

HUNTINGTON W VA SWR REV, WV (446834)

#### HUNTINGTON W VA SWR REV, WV (446834)

Displaying 1 issue.

Total CUSIPs selected for this CUSIP-6: 4.

Issue Description *	Dated Date	Maturity Dates	Official Statement
[+] SER A	11/30/2006	2007 to 2016	<a href="#">Preview</a>

#### SUBMITTER'S CONTACT INFORMATION

Company: United Bank, Inc.  
Name: KATHY SMITH  
Address: 500 VIRGINIA STREET EAST  
City, State Zip: CHARLESTON, WV 25301  
Phone Number: 3043488427  
Email: [kathy.smith@ubsi-wv.com](mailto:kathy.smith@ubsi-wv.com)

NOTICE: \* CUSIP numbers and certain related descriptive information are copyrighted by the [American Bankers Association \(ABA\)](#) and are used with permission from the [CUSIP Service Bureau](#) managed on behalf of the ABA by Standard & Poor's. © 2013 ABA See [EMMA's Terms and Conditions of Use](#) for a description of proprietary rights in and restrictions on use of such data. "CUSIP" is a registered trademark of ABA.

Sitemap | Privacy Policy | Terms of Use | MSRB.org | [MSRB System Status](#)  
©2013 Municipal Securities Rulemaking Board (MSRB)  
EMMA is a service of the Municipal Securities Rulemaking Board,  
which protects investors, state and local governments, and the public interest.

Portions of EMMA data provided by Standard & Poor's Securities Evaluations, Inc.,  
CUSIP Service Bureau & American Bankers Association.  
Copyright © 2013, Standard and Poor's Financial Services LLC. All rights reserved.  
Copyright © 2013 Fitch, Inc. Reprinted with permission.

00:00.3259337

1.0 13046.1250- 43-P



EMMA® - Electronic Municipal Market Access  
The Official Source for Municipal Disclosures and Market Data

MyEMMA | Alerts | Feedback | Contact

<a href="#">About EMMA</a>	<a href="#">Search</a>	<a href="#">529 Plans</a>	<a href="#">Market Activity</a>	<a href="#">Education Center</a>	<a href="#">EMMA Dataport</a>	<a href="#">Quick Search</a>	<input type="text" value="Enter CUSIP or Name"/>	
----------------------------	------------------------	---------------------------	---------------------------------	----------------------------------	-------------------------------	------------------------------	--	--

Home > Muni Search > Issuer Details > **Issue Details**

### Issue Details

**HUNTINGTON W VA SWR REV SER A (WV)\***

**Dated Date:** 11/30/2006

**Closing Date:** 11/30/2006

**Maturities and issue-related documents**

View all maturities of an issue and download the official statement and other documents available from EMMA for this issue. Click on a CUSIP number for security specific data, including trade price data.

➔ [See other Issues by this Issuer](#)

[Securities](#)   [Official Statement](#)   [Continuing Disclosure](#)

Displaying 10 maturities.

<u>CUSIP *</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Principal Amount At Issuance (\$)</u>	<u>Initial Offering Price (%)</u>	<u>Security Description *</u>	<u>Current Fitch LT Rating</u>	<u>Current S&amp;P LT Rating</u>
<a href="#">446834DZ3</a>	11/01/2007	4.25			SER A		
<a href="#">446834EA7</a>	11/01/2008	4.3			SER A		
<a href="#">446834EES</a>	11/01/2009	4.4			SER A		
<a href="#">446834EC3</a>	11/01/2010	4.4			SER A		
<a href="#">446834ED1</a>	11/01/2011	4.5	305,000		SER A		
<a href="#">446834EE9</a>	11/01/2012	4.6	320,000		SER A		
<a href="#">446834EF6</a>	11/01/2013	4.6	335,000		SER A		
<a href="#">446834EG4</a>	11/01/2014	4.7	350,000		SER A		
<a href="#">446834EH2</a>	11/01/2015	4.7	365,000		SER A		
<a href="#">446834EJ0</a>	11/01/2016	4.7	385,000		SER A		

**NOTICE:** \* CUSIP numbers and certain related descriptive information are copyrighted by the [American Bankers Association \(ABA\)](#) and are used with permission from the [CUSIP Service Bureau](#) managed on behalf of the ABA by Standard & Poor's. © 2013 ABA See [EMMA's Terms and Conditions of Use](#) for a description of proprietary rights in and restrictions on use of such data. "CUSIP" is a registered trademark of ABA.

[Sitemap](#) | [Privacy Policy](#) | [Terms of Use](#) | [MSRB.org](#) | [MSRE System Status](#)  
©2013 Municipal Securities Rulemaking Board (MSRB)  
EMMA is a service of the Municipal Securities Rulemaking Board, which protects investors, state and local governments, and the public interest.

Portions of EMMA data provided by Standard & Poor's Securities Evaluations, Inc., CUSIP Service Bureau & American Bankers Association. Copyright © 2013, Standard and Poor's Financial Services LLC. All rights reserved. Copyright © 2013 Fitch, Inc. Reprinted with permission.

00:00.9362164

1.0.13046.1250-43-P

**Receipt and Release**

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

**RECEIPT AND RELEASE OF SERIES 2006 A BONDS**

The undersigned authorized representative of the West Virginia Municipal Bond Commission (the "Prepayment Agent") hereby certifies this 28th day of March, 2013 as follows:

On the 28th day of March, 2013, the Prepayment Agent received the sum of \$927,930.54 from the proceeds of the Sewer Refunding Revenue Bonds, Series 2013 A issued by The City of Huntington (the "City") and such amount, together with funds then on deposit with the Prepayment Agent in the Series 2006 A Bonds Sinking Fund in the amount of \$223,597.14 and Series 2006 A Bonds Reserve Account in the amount of \$315,215.10 (total of \$1,466,742.78) will be sufficient to: (i) pay the entire outstanding principal of and all accrued interest on The City of Huntington Sewer Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of \$3,150,000, of which \$1,435,000 is currently outstanding (the "Series 2006 A Bonds"), on April 15, 2013, the Redemption Date for the Series 2006 A Bonds, (ii) pay the Prepayment Agent fees; and (iii) discharge the liens, pledges and encumbrances securing such Series 2006 A Bonds.

WITNESS my signature the day and year first written above.

WEST VIRGINIA MUNICIPAL  
BOND COMMISSION

By:   
Its Authorized Representative



Working Together. Building Success.

February 15, 2013

VIA FAX AND EMAIL

Katy Mallory, P.E.  
Project Finance Manager  
Steptoe & Johnson PLLC  
P.O. Box 1588  
Charleston, West Virginia 25326-1588

Re: City of Huntington Proposed Issuance of Approximately \$1,450,000 Sewer Refunding Revenue Bonds. Series 2013 A

Dear Ms. Mallory:

Peoples Bank N.A. (Peoples Bank) is pleased to provide a bid for refinancing the City of Huntington, Sanitary Board Sewer Revenue Bonds, Series 2006 A (the "Prior Bonds") per the RFP dated January 30, 2013. The following outlines the terms of our bid.

**Borrower:** City of Huntington

**Principal Amount:** Not to exceed \$ 1,450,000

**Closing** Peoples will be prepared to close on or before April 1, 2013 with notice.

**Maturity:** November 1, 2016

**Interest:** 1.99% tax exempt, based on a 360 day year, fixed until maturity.

**Payments:** 43 monthly principal and interest payments as requested in the RFP of \$34,984.17. A copy of the amortization schedule is attached.

**Security:** A first lien pledge of the net revenues of the sewerage system. Upon the refunding of the Series 2006 A Bonds which will rank on a parity with the Series 2013 A Bonds as to liens, pledge and source of and security for payment.

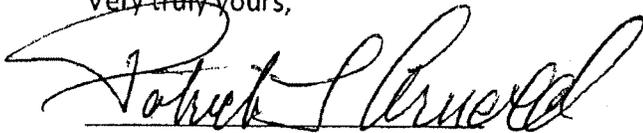
Tax Status of Bonds: Tax-exempt and "bank qualified" under Section 265(b)(3) of the Internal Revenue Code.

Bond Counsel and Legal Opinion: Steptoe & Johnson PLLC, Charleston, West Virginia, will prepare the Bonds and all resolutions, certificates and other documents, and will deliver their unqualified approving opinion regarding the validity and tax-exempt and bank-qualified status of the Bonds.

Fees and Expenses: The City will pay all fees and expenses of bond counsel and any other counsel engaged by the City. All counsel or other fees and expenses of the purchaser will be the responsibility of Peoples Bank if we are the successful bidder.

Additional benefit: Peoples Bank will assist the Sanitary Board with a 24 month marketing campaign to create awareness and assist with the new billing conversion program and their community outreach and education program, "disconnecting your downspout". Peoples Bank will arrange for outdoor advertising posting costs and internet advertising. The cost of the outdoor rental costs will be donated by Peoples Bank.

Very truly yours,



Patrick L. Arnold  
Vice President

cc: Mayor Steve Williams  
Kit Anderson

## AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$ 1,450,000.00	04-01-2013	11-01-2016	sanitary			NONE	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: City of Huntington

Lender: Peoples Bank, National Association  
Huntington 5th Avenue  
101 Fifth Avenue  
Huntington, WV 25701

Disbursement Date: April 1, 2013  
Interest Rate: 1.990

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

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	05-01-2013	34,984.17	2,404.58	32,579.59	1,417,420.41
2	06-01-2013	34,984.17	2,428.91	32,555.26	1,384,865.15
3	07-01-2013	34,984.17	2,296.57	32,687.60	1,352,177.55
4	08-01-2013	34,984.17	2,317.11	32,667.06	1,319,510.49
5	09-01-2013	34,984.17	2,261.13	32,723.04	1,286,787.45
6	10-01-2013	34,984.17	2,133.92	32,850.25	1,253,937.20
7	11-01-2013	34,984.17	2,148.76	32,835.41	1,221,101.79
8	12-01-2013	34,984.17	2,024.99	32,959.18	1,188,142.61
<b>2013 TOTALS:</b>		<b>279,873.36</b>	<b>18,015.97</b>	<b>261,857.39</b>	
9	01-01-2014	34,984.17	2,036.01	32,948.16	1,155,194.45
10	02-01-2014	34,984.17	1,979.55	33,004.62	1,122,189.83
11	03-01-2014	34,984.17	1,736.90	33,247.27	1,088,942.56
12	04-01-2014	34,984.17	1,866.02	33,118.15	1,055,824.41
13	05-01-2014	34,984.17	1,750.91	33,233.26	1,022,591.15
14	06-01-2014	34,984.17	1,752.32	33,231.85	989,359.30
15	07-01-2014	34,984.17	1,640.69	33,343.48	956,015.82
16	08-01-2014	34,984.17	1,638.24	33,345.93	922,669.89
17	09-01-2014	34,984.17	1,581.10	33,403.07	889,266.82
18	10-01-2014	34,984.17	1,474.70	33,509.47	855,757.35
19	11-01-2014	34,984.17	1,466.44	33,517.73	822,239.62
20	12-01-2014	34,984.17	1,363.55	33,620.62	788,619.00
<b>2014 TOTALS:</b>		<b>419,810.04</b>	<b>20,286.43</b>	<b>399,523.61</b>	
21	01-01-2015	34,984.17	1,351.39	33,632.78	754,986.22
22	02-01-2015	34,984.17	1,293.75	33,690.42	721,295.80
23	03-01-2015	34,984.17	1,116.41	33,867.76	687,428.04
24	04-01-2015	34,984.17	1,177.98	33,806.19	653,621.85
25	05-01-2015	34,984.17	1,083.92	33,900.25	619,721.60
26	06-01-2015	34,984.17	1,061.96	33,922.21	585,799.39
27	07-01-2015	34,984.17	971.45	34,012.72	551,786.67
28	08-01-2015	34,984.17	945.55	34,038.62	517,748.05
29	09-01-2015	34,984.17	887.22	34,096.95	483,651.10
30	10-01-2015	34,984.17	802.05	34,182.12	449,468.98
31	11-01-2015	34,984.17	770.22	34,213.95	415,255.03
32	12-01-2015	34,984.17	688.63	34,295.54	380,959.49
<b>2015 TOTALS:</b>		<b>419,810.04</b>	<b>12,150.53</b>	<b>407,659.51</b>	
33	01-01-2016	34,984.17	652.82	34,331.35	346,628.14
34	02-01-2016	34,984.17	593.99	34,390.18	312,237.96
35	03-01-2016	34,984.17	500.53	34,483.64	277,754.32
36	04-01-2016	34,984.17	475.96	34,508.21	243,246.11
37	05-01-2016	34,984.17	403.38	34,580.79	208,665.32
38	06-01-2016	34,984.17	357.57	34,626.60	174,038.72
39	07-01-2016	34,984.17	288.61	34,695.56	139,343.16
40	08-01-2016	34,984.17	238.78	34,745.39	104,597.77
41	09-01-2016	34,984.17	179.24	34,804.93	69,792.84
42	10-01-2016	34,984.17	115.74	34,868.43	34,924.41
43	11-01-2016	34,984.17	59.76	34,924.41	0.00
<b>2016 TOTALS:</b>		<b>384,825.87</b>	<b>3,866.38</b>	<b>380,959.49</b>	
<b>TOTALS:</b>		<b>1,504,319.31</b>	<b>54,319.31</b>	<b>1,450,000.00</b>	

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



Working Together. Building Success.

March 28, 2013

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

The City of Huntington  
Huntington, West Virginia

Stephoe & Johnson PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned Patrick A. Arnold, Vice President of Peoples Bank, N.A., Huntington, West Virginia (the "Purchaser"), on behalf of the Purchaser in connection with its purchase of \$1,059,500 aggregate principal amount of the Sewer Refunding Revenue Bonds, Series 2013 A (the "Bonds"), issued by The City of Huntington (the "Issuer") on the date hereof, hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal revenue obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Bonds.

2. We understand that the entire principal of and interest on the Bonds are payable by the Issuer solely from the Net Revenues of the System (as defined in the Ordinance of the Issuer enacted February 25, 2013 as supplemented by Supplemental resolution duly adopted on March 11, 2013); that the Bonds are special and limited obligations of the Issuer and are not general obligations or secured by any obligation or pledge of any monies received or to be received by the Issuer other than the Net Revenues described above; that the Bonds do not now and shall never constitute an indebtedness of the Issuer with in the meaning of any constitutional or statutory provision or limitation, all as set forth in the Ordinance.

3. We understand that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the Issuer or the Bonds is being issued, that the Bonds are unrated, and that in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

4. We acknowledge that during the course of the transaction and prior to the sale of the Bonds, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us.

5. Because of our experience in financial and business matters, we believe that we are qualified to make the inquiry and analysis described in paragraph 3 and to understand fully the documents and information described in paragraph 4.

6. We understand that the Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may be resold only to purchasers who meet the criteria set forth herein and who, as a condition to such purchase, deliver an executed letter substantially in the form hereof to Steptoe & Johnson PLLC, Charleston, West Virginia.

7. We have been informed by Steptoe & Johnson PLLC, bond counsel to the Issuer, that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We have also been informed by Steptoe & Johnson that under the Code, interest on obligations, such as the Bonds, which are not "private activity bonds," are not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes), and which would impose an alternative minimum tax on a portion of the excess of adjusted net book income over pre-book alternative minimum taxable income, could subject part of the interest on the Bonds received by corporations to such corporate alternative minimum tax.

8. We are purchasing the Bonds for investment in our own account and do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

9. The Bonds and the other certificates, opinions and documents delivered in connection with the Bonds contain such terms and are in such form that are acceptable to the Purchaser.

10. We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and we have satisfied ourselves that the Bonds are a lawful investment for us under all applicable laws.

Very truly yours,

PEOPLES BANK, N.A.

By: \_\_\_\_\_

  
Patrick L. Arnold, Vice President

U.S. Postal Service <sup>TM</sup> *Brandy*  
**CERTIFIED MAIL <sup>TM</sup> RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

7009 2250 0001 0923 0619

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.77

Postmark  
Here

Sent To  
Street, A  
or PO Box  
City, Sta.

*H35500.00030*  
 Internal Revenue Service  
 Internal Revenue Service Center  
 Ogden, Utah 84201

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service  
 Internal Revenue Service Center  
 Ogden, Utah 84201

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
**X**  Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

E1-331 APR 04 2013 PS-CSC

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label)

7009 2250 0001 0923 0619 *H35500.00030*



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  
(304) 353-8196  
(304) 353-8181 Fax  
John.Stump@steptoe-johnson.com

March 28, 2013

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

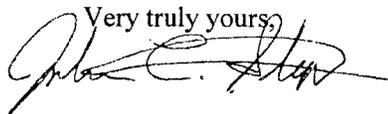
Internal Revenue Service  
Internal Revenue Service Center  
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G with regard to the above-captioned issue. Please file in the appropriate Internal Revenue Service records.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,  


John C. Stump

JCS/bsl  
Enclosure

435500.00030

**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

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>The City of Huntington</b>		2 Issuer's employer identification number (EIN) <b>55-6000187</b>	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) <b>Post Office Box 1659</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>	
6 City, town, or post office, state, and ZIP code <b>Huntington, West Virginia 25717</b>		7 Date of issue <b>03/28/2013</b>	
8 Name of issue <b>Sewer Refunding Revenue Bonds, Series 2013 A</b>		9 CUSIP number <b>none</b>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Steve Williams, Mayor</b>		10b Telephone number of officer or other employee shown on 10a <b>304.696.5540</b>	

**Part II Type of Issue (enter the issue price).** See the 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	1,059,500	
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input type="checkbox"/>

**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	11/01/2016	\$ 1,059,500	\$ 1,059,500	1.867 years	1.9982314 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

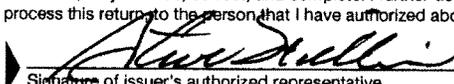
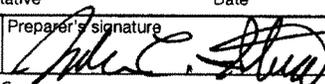
22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23	1,059,500	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	25,619	
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26	105,950	
27 Proceeds used to currently refund prior issues	27	927,931	
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29	1,059,500	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	0	

**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	►	2.102	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►		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)	►		

**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	<b>36a</b>	
<b>b</b>	Enter the final maturity date of the GIC ▶ _____		
<b>c</b>	Enter the name of the GIC provider ▶ _____		
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
<b>b</b>	Enter the date of the master pool obligation ▶ _____		
<b>c</b>	Enter the EIN of the issuer of the master pool obligation ▶ _____		
<b>d</b>	Enter the name of the issuer of the master pool obligation ▶ _____		
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .		<input checked="" type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .		<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
<b>b</b>	Name of hedge provider ▶ _____		
<b>c</b>	Type of hedge ▶ _____		
<b>d</b>	Term of hedge ▶ _____		
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .		<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .		<input checked="" type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .		<input checked="" type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____		
<b>b</b>	Enter the date the official intent was adopted ▶ _____		

<b>Signature and Consent</b>	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		3/28/2013 Date	
<b>Paid Preparer Use Only</b>	Mayor Type or print name and title			
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	John Stump		3.28.2013	P01236822
	Firm's name ▶ Steptoe & Johnson PLLC	Firm's EIN ▶ 55-0286140		
Firm's address ▶ PO Box 1588, Charleston, West Virginia 25326	Phone no. 304.353.8000			

**Prepayment Agreement**

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

**PREPAYMENT AGREEMENT FOR SERIES 2006 A BONDS**

This **PREPAYMENT AGREEMENT** (the “Agreement”), made and entered into as of March 28, 2013, by and among **THE CITY OF HUNTINGTON** (the “Issuer”), and the **WEST VIRGINIA MUNICIPAL BOND COMMISSION** (the “Paying Agent”, the “Prepayment Agent” or “Prepayment Trustee”).

WITNESETH THAT:

**WHEREAS**, the Issuer presently owns and operates a public sewerage system (the “System”) and has heretofore financed and refinanced the acquisition and construction of the System and certain additions, extensions and improvements thereto by the issuance of several series of bonds;

**WHEREAS**, the Issuer has determined to issue its Sewer Refunding Revenue Bonds, Series 2013 A, dated March 28, 2013, in the aggregate principal amount of \$1,059,500 (the “Series 2013 A Bonds”) and contemporaneously therewith defease its Sewer Refunding Revenue Bonds, Series 2006 A, dated November 30, 2006, issued in the original aggregate principal amount of \$3,150,000 of which \$1,435,000 is currently outstanding (the “Series 2006 A Bonds”);

**WHEREAS**, the Issuer intends to defease all of the Series 2006 A Bonds currently outstanding by depositing with the Prepayment Agent on March 28, 2013 (the “Closing Date”) a portion of the proceeds of the Series 2013 A Bonds in the amount of \$927,930.54 and moneys on deposit in the Series 2006 A Bonds Sinking Fund in the amount of \$223,597.14 and the Series 2006 A Bonds Reserve Account in the amount of \$315,215.10, held by the Prepayment Agent, which amounts will be deposited by the Prepayment Agent in an account to be created and known as the “Series 2006 A Bonds Prepayment Fund”;

**WHEREAS**, the cumulative amount deposited in the Series 2006 A Bonds Prepayment Fund from the Series 2013 A Bonds, the Series 2006 A Bonds Sinking Fund and the Series 2006 A Reserve Account (\$1,466,742.78) shall collectively be known as the “Redemption Deposit Amount”;

**WHEREAS**, the Redemption Deposit Amount is in such amount as to insure the payment on April 15, 2013 (the “Redemption Date”), pursuant to the Bond Ordinance enacted by the Issuer on February 25, 2013, as supplemented, by Supplemental Parameters Resolution adopted by the Issuer on March 11, 2013 (collectively, the “Bond Ordinance”), of the entire

principal amount of the Series 2006 A Bonds then outstanding, and all interest accrued thereon in the amount of \$1,465,572.88 (the "Redemption Price") and payment of the fees of the Prepayment Agent in the amount of \$1,169.90; and

**WHEREAS**, on or before one business day prior to the Redemption Date, the Paying Agent shall transfer the Redemption Price in order that the payment can be effected to the registered owner(s) of the Series 2006 A Bonds upon presentation of such Series 2006 A Bonds for payment in accordance with the Bond Ordinance;

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 2006 A Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

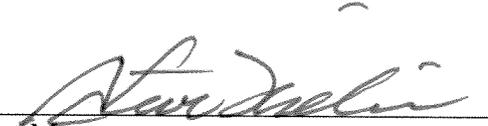
1. The Prepayment Agent shall create the Series 2006 A Bonds Prepayment Fund separate and apart from all other funds or accounts of the Prepayment Agent.
2. The Issuer shall deposit an amount of \$927,930.54 from proceeds of the Series 2013 A Bonds with the Prepayment Agent on the Closing Date and such amount shall constitute an irrevocable deposit of such moneys in trust for, and such moneys shall be deposited by the Prepayment Agent in the Series 2006 A Bonds Prepayment Fund.
3. The Prepayment Agent shall transfer an amount of \$223,597.14 from the Series 2006 A Bonds Sinking Fund to the Series 2006 A Bonds Prepayment Fund.
4. The Prepayment Agent shall transfer an amount of \$315,215.10 from the Series 2006 A Bonds Reserve Account to the Series 2006 A Bonds Prepayment Fund.
5. The cumulative amounts deposited from the Series 2013 A Bonds, the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account into the Series 2006 A Bonds Prepayment Fund (cumulative total of \$1,466,742.78) shall collectively be known as the "Redemption Deposit Amount".
6. The Redemption Deposit Amount shall be sufficient to pay the Redemption Price of \$1,465,572.68 in full on the Redemption Date and to pay the fees of \$1,169.90 of the Prepayment Agent.
7. Surplus amounts remaining in the Series 2006 A Bonds Sinking Fund and/or the Series 2006 A Bonds Reserve Account shall be returned to the Issuer.
8. United Bank, Inc., Charleston, West Virginia has provided a notice of redemption by registered or certified mail to the Depository Trust Company as the registered owner of the Series 2006 A Bonds, with a copy of such redemption notice being provided to Standard & Poor's Called Bond Record and EMMA, not more than 60 days nor less than 30 days prior to the Redemption Date, in accordance with the requirements of the Series 2006 A Bonds.

9. The holders of the Series 2006 A Bonds shall have an express lien on all moneys and assets in the Series 2006 A Bonds Sinking Fund, including the Series 2006 A Bonds Reserve Account therein, until paid out, used and applied in accordance with this Agreement.
10. At least one business day prior to the Redemption Date, the Prepayment Agent shall transfer the Redemption Price to the Paying Agent in order that the payment of the Redemption Price can be made to the registered owners of the Series 2006 A Bonds upon presentation of such Series 2006 A Bonds for payment in accordance with the Bond Ordinance.
11. This Agreement shall terminate on the date on which all the Outstanding Series 2006 A Bonds have been redeemed, paid in full and discharged. Upon termination of this Agreement, any moneys remaining after payment of fees of the Prepayment Agent shall be transferred by the Paying Agent for deposit into the Series 2013 A Bonds Sinking Fund of the Series 2013 A Bonds.
12. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.
13. This Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

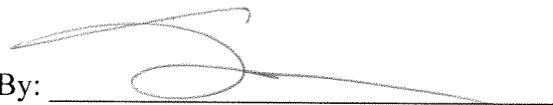
[Remainder of Page Intentionally Blank]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the day and year first above written.

THE CITY OF HUNTINGTON

By:   
Its: Mayor

WEST VIRGINIA MUNICIPAL BOND  
COMMISSION

By:   
Its: Authorized Representative

435500.00030

# CLOSING MEMORANDUM

To: Financing Team  
From: John C. Stump, Esquire  
Date: March 28, 2013  
Re: The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

---

## DISBURSEMENTS

1. Amount: \$927,930.54  
To: WV Municipal Bond Commission  
Form: Check  
Purpose: Pay Series 2006 A Bonds
  2. Amount: \$105,950.00  
To: WV Municipal Bond Commission  
Form: Check  
Purpose: Fund Series 2013 A Bonds Reserve Account
  3. Amount: \$25,000.00  
To: Steptoe & Johnson LLP  
Form: Check  
Purpose: Bond Counsel
  4. Amount: \$619.46  
To: City of Huntington  
Form: Check  
Purpose: Expenses
- Total \$1,059,500.00

**INTERNAL TRANSFERS AT MUNICIPAL BOND COMMISSION**

Amount: \$223,597.14  
From: Series 2006 A Bonds Sinking Fund  
To: Series 2006 A Bonds Prepayment Fund

Amount: \$315,215.10  
From: Series 2006 A Bonds Reserve Account  
To: Series 2006 A Bonds Prepayment Fund

**SERIES 2006 A PAYOFF ON APRIL 15, 2013**

SOURCES IN SERIES 2006 A PREPAYMENT FUND

Series 2013 A Bonds	\$927,930.54
Series 2006 A Sinking Fund	\$223,597.14
<u>Series 2006 A Reserve Account</u>	<u>\$315,215.10</u>
Total	\$1,466,742.78

USES OF SERIES 2006 A PREPAYMENT FUND

Pay Series 2006 A Bonds	\$1,465,572.88
<u>Pay Commission fees</u>	<u>\$1,169.90</u>
Total	\$1,466,742.78



MARIETTA, OHIO 45750  
OFFICES IN OH, WV & KY  
1-800-374-6123  
Visit us at www.peoplesbancorp.com

4468103

March 28, 2013

DATE

REMITTER

Bond Proceeds

WV Municipal Bond Commission

PAY TO THE ORDER OF

\$ 927, 930. 54

THE PEOPLES BANK & TRUST 927,930.54

DOLLARS

THE PURCHASE OF A SURETY BOND MAY BE REQUIRED BEFORE ANY OFFICIAL CHECK ON THIS BANK WILL BE REPLACED OR REFUNDED IN THE EVENT IT IS LOST, MISPLACED OR STOLEN.

CASHIER'S CHECK

*Robert A. Prude*  
AUTHORIZED SIGNATURE

⑈4468103⑈ ⑆044202505⑆ 93 0023 7⑈



MARIETTA, OHIO 45750  
OFFICES IN OH, WV & KY  
1-800-374-6123  
Visit us at www.peoplesbancorp.com

4468104

March 28, 2013

DATE

REMITTER

Bond Proceeds

WV Municipal Bond Commission

PAY TO THE ORDER OF

\$ 105,950.00

THE PEOPLES BANK & TRUST 105,950.00

DOLLARS

THE PURCHASE OF A SURETY BOND MAY BE REQUIRED BEFORE ANY OFFICIAL CHECK ON THIS BANK WILL BE REPLACED OR REFUNDED IN THE EVENT IT IS LOST, MISPLACED OR STOLEN.

CASHIER'S CHECK

*Robert A. Prude*  
AUTHORIZED SIGNATURE

⑈4468104⑈ ⑆044202505⑆ 93 0023 7⑈



MARIETTA, OHIO 45750  
OFFICES IN OH, WV & KY  
1-800-374-6123  
Visit us at www.peoplesbancorp.com

4468105

March 28, 2013

DATE

REMITTER

Bond Proceeds

Steptoe & Johnson LLP

PAY TO THE ORDER OF

\$ 25,000.00

THE PEOPLES BANK & TRUST 25,000.00

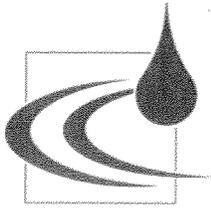
DOLLARS

THE PURCHASE OF A SURETY BOND MAY BE REQUIRED BEFORE ANY OFFICIAL CHECK ON THIS BANK WILL BE REPLACED OR REFUNDED IN THE EVENT IT IS LOST, MISPLACED OR STOLEN.

CASHIER'S CHECK

*Robert A. Prude*  
AUTHORIZED SIGNATURE

⑈4468105⑈ ⑆044202505⑆ 93 0023 7⑈



WEST VIRGINIA

**Water Development Authority**

*Celebrating 37 Years of Service 1974 - 2013*

March 28, 2013

The City of Huntington  
Sewer Refunding Revenue Bonds, Series 2013 A

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates PLLC, the independent certified public accountant, and the opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative for the West Virginia Water Development 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 Refunding Revenue Bonds, Series 2013 A, in the original aggregate principal amount of \$1,059,500 (the "Series 2013 A Bonds") by The City of Huntington (the "Issuer"), under the terms of the bond ordinance authorizing the Series 2013 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding: (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 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"); (iv) 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"); and (v) Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated November 10, 2010, issued in the original aggregate principal amount of \$2,622,055 (the "Series 2010 B Bonds"), (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

  
\_\_\_\_\_  
Authorized Representative

435500.00030

1009 Bullitt Street, Charleston, WV 25301  
Phone (304) 414-6500 / fax (304) 414-0865  
[www.wvwda.org](http://www.wvwda.org)

## 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**, Pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the “MBC Fee”);

**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, along with the MBC Fee, 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 Clerk 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 11th day of March, 2013.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

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  
THERE TO.

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.



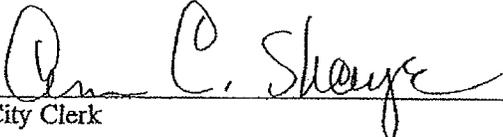
\_\_\_\_\_  
Mayor

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

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

Table of Contents

Subject	Page
<b>ARTICLE I</b>	
<b>STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS</b>	
Section 1.01 Authority for this Ordinance	1
Section 1.02 Findings	1
Section 1.03 Bond Legislation Constitutes Contract	4
Section 1.04 Definitions	4
<b>ARTICLE II</b>	
<b>AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT</b>	
Section 2.01 Authorization of Acquisition and Construction of the Project	19

Section 11.05	Conflicting Provisions Repealed; Prior Ordinance	64
Section 11.06	Covenant of Due Procedure, Etc.	65
Section 11.07	Effective Date	65
Section 11.08	Statutory Notice and Public Hearing	65
	SIGNATURES	66
	CERTIFICATION	67
	EXHIBIT A	68

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 DBP 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 Investor's 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 it 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

Frequency of valuation	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
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

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

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 ensuing 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 and 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]

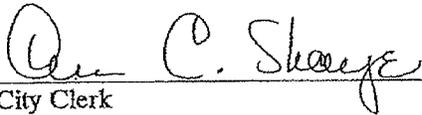
  
\_\_\_\_\_  
City Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

10/24/97  
435500/94001

(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		<u>\$3,039,895</u>	

## 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
<b>TOTAL</b>	<b>3,039,895.00</b>		<b>690,416.58</b>	<b>3,730,311.58 *</b>

\*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

Table of Contents

Subject Page

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	4
Section 1.04	Definitions	4

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION  
OF THE PROJECT

Section 2.01	Authorization of Acquisition and Construction of the Project	19
--------------	---	----

ARTICLE III

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

Section 3.01	Authorization of Bonds	20
Section 3.02	Terms of Bonds	20
Section 3.03	Execution of Bonds	21
Section 3.04	Authentication and Registration	21
Section 3.05	Negotiability, Transfer and Registration	21
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	22
Section 3.07	Bonds not to be Indebtedness of the Issuer	22

Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	23
Section 3.09	Delivery of Bonds	23
Section 3.10	Form of Bonds FORM OF BOND	24
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	32
Section 3.12	"Amended Schedule A" Filing	32

**ARTICLE IV  
[RESERVED]** 33

**ARTICLE V  
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

Section 5.01	Establishment of Funds and Accounts with Depository Bank	34
Section 5.02	Establishment of Funds and Accounts with Commission	34
Section 5.03	System Revenues; Flow of Funds	35

**ARTICLE VI  
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	40
Section 6.02	Disbursements From the Bond Construction Trust Fund	40

**ARTICLE VII  
ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer	42
Section 7.02	Bonds not to be Indebtedness of the Issuer	42
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	42
Section 7.04	Rates and Charges	42
Section 7.05	Sale of the System	42
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	44
Section 7.07	Additional Parity Bonds	44
Section 7.08	Books; Records and Audit	46
Section 7.09	Rates	48
Section 7.10	Operating Budget and Monthly Financial Report	49
Section 7.11	Engineering Services and Operating Personnel	49
Section 7.12	No Competing Franchise	50
Section 7.13	Enforcement of Collections	50

Section 7.14	No Free Services	51
Section 7.15	Insurance and Construction Bonds	51
Section 7.16	Mandatory Connections	53
Section 7.17	Completion of Project; Permits and Orders	54
Section 7.18	Compliance with Loan Agreement and Law	54
Section 7.19	Tax Covenants	54
Section 7.20	Securities Law Compliance	55
Section 7.21	Contracts	56

**ARTICLE VIII**  
**INVESTMENT OF FUNDS; NON ARBITRAGE**

Section 8.01	Investments	57
Section 8.02	Arbitrage and Tax Exemption	58
Section 8.03	Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States	58

**ARTICLE IX**  
**DEFAULT AND REMEDIES**

Section 9.01	Events of Default	61
Section 9.02	Remedies	61
Section 9.03	Appointment of Receiver	62

**ARTICLE X**  
**PAYMENT OF BONDS**

Section 10.01	Payment of Bonds	64
---------------	------------------	----

**ARTICLE XI**  
**MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation	65
Section 11.02	Bond Legislation Constitutes Contract	65
Section 11.03	Severability of Invalid Provisions	65
Section 11.04	Headings, Etc.	65
Section 11.05	Conflicting Provisions Repealed; Prior Ordinances	65
Section 11.06	Covenant of Due Procedure, Etc.	66
Section 11.07	Effective Date	66
Section 11.08	Statutory Notice and Public Hearing	66
	SIGNATURES	66
	CERTIFICATION	67
	EXHIBIT A	68

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 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

Frequency of valuation	Remaining maturity				
	1 year <u>or less</u>	5 years <u>or less</u>	10 years <u>or less</u>	15 years <u>or less</u>	30 years <u>or less</u>
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.

(d) 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 heretunto 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

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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		\$	<u>                    </u>

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 ensuing 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 and 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



\_\_\_\_\_  
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.



\_\_\_\_\_  
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

	<u>AMOUNT</u>	<u>DATE</u>		<u>AMOUNT</u>	<u>DATE</u>
(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)	\$	
<b>TOTAL</b>				\$	_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

City of Huntington, West Virginia  
 \$2,082,550 CWSRF Loan  
 20 Years, 2% Interest Rate, 1% Administrative Fee

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Pmt
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	21,565.00	2.000%	10,097.47	31,662.47
9/01/2001	21,674.00	2.000%	9,989.54	31,663.54
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	22,555.00	2.000%	9,107.35	31,662.35
12/01/2003	22,665.00	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	23,356.00	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	23,949.00	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	24,186.00	2.000%	7,475.03	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	25,809.00	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	31,663.04
6/01/2014	27,952.00	2.000%	3,711.88	31,663.28
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	28,558.00	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%	1,086.30	31,663.30
3/01/2019	30,730.00	2.000%	933.51	31,663.51
6/01/2019	30,884.00	2.000%	779.96	31,663.96
9/01/2019	31,039.00	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
<b>Total</b>	<b>2,083,550.00</b>	<b>-</b>	<b>449,852.54</b>	<b>2,533,402.54</b> *

\*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:



Bond Ordinance

THE CITY OF HUNTINGTON

SEWER REVENUE BONDS, SERIES 2000  
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

Table of Contents

Subject	Page
---------	------

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	4
Section 1.04	Definitions	4

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION  
OF THE PROJECT

Section 2.01	Authorization of Acquisition and Construction of the Project	20
--------------	---	----

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

Section 3.01	Authorization of Bonds	21
Section 3.02	Terms of Bonds	21
Section 3.03	Execution of Bonds	22
Section 3.04	Authentication and Registration	22
Section 3.05	Negotiability, Transfer and Registration	22
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	23
Section 3.07	Bonds not to be Indebtedness of the Issuer	23
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	24
Section 3.09	Delivery of Bonds	24
Section 3.10	Form of Bonds FORM OF BOND	24 25
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	33
Section 3.12	"Amended Schedule A" Filing	33

**ARTICLE IV**  
**[RESERVED]** 34

**ARTICLE V**  
**FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

Section 5.01	Establishment of Funds and Accounts with Depository Bank	35
Section 5.02	Establishment of Funds and Accounts with Commission	35
Section 5.03	System Revenues; Flow of Funds	36

**ARTICLE VI**  
**BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	42
Section 6.02	Disbursements From the Bond Construction Trust Fund	42

**ARTICLE VII**  
**ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer	44
Section 7.02	Bonds not to be Indebtedness of the Issuer	44
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	44
Section 7.04	Rates and Charges	44
Section 7.05	Sale of the System	45
Section 7.06	Issuance of Other Obligations Payable Out of Revenue and General Covenant Against Encumbrances	46
Section 7.07	Additional Parity Bonds	46
Section 7.08	Books; Records and Audit	49
Section 7.09	Rates	50
Section 7.10	Operating Budget and Monthly Financial Report	51
Section 7.11	Engineering Services and Operating Personnel	52
Section 7.12	No Competing Franchise	53
Section 7.13	Enforcement of Collections	53
Section 7.14	No Free Services	54
Section 7.15	Insurance and Construction Bonds	54
Section 7.16	Mandatory Connections	56
Section 7.17	Completion of Project; Permits and Orders	56
Section 7.18	Compliance with Loan Agreement and Law	57
Section 7.19	Tax Covenants	57
Section 7.20	Securities Law Compliance	58
Section 7.21	Contracts; Public Releases	58

**ARTICLE VIII**  
**INVESTMENT OF FUNDS; NON ARBITRAGE**

Section 8.01	Investments	59
Section 8.02	Arbitrage and Tax Exemption	60
Section 8.03	Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States	60

**ARTICLE IX**  
**DEFAULT AND REMEDIES**

Section 9.01	Events of Default	63
Section 9.02	Remedies	63
Section 9.03	Appointment of Receiver	64

ARTICLE X  
PAYMENT OF BONDS

Section 10.01	Payment of Bonds	66
---------------	------------------	----

ARTICLE XI  
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	67
Section 11.02	Bond Legislation Constitutes Contract	67
Section 11.03	Severability of Invalid Provisions	67
Section 11.04	Headings, Etc.	67
Section 11.05	Conflicting Provisions Repealed; Prior Ordinances	67
Section 11.06	Covenant of Due Procedure, Etc.	68
Section 11.07	Effective Date	68
Section 11.08	Statutory Notice and Public Hearing	68
	SIGNATURES	69
	CERTIFICATION	70
	EXHIBIT A	71

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 143(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 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 ensuing 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 7.03. 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 and 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

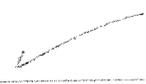
THIRD READING FOLLOWING PUBLIC HEARING: Adopted (9 yeas; 0 nays; 2 absent - Kent, Neeley) - October 10, 2000

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

10/10/00  
435500/00001

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 \$1,367,098 (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 \$1,367,098. 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.



\_\_\_\_\_  
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

\$1,367,098

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 (\$1,367,098), 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.

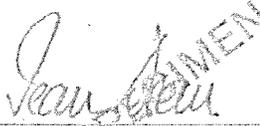
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, 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

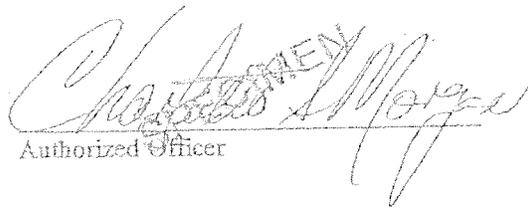
  
Authorized Officer

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	20,415.00	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%	7,443.05	28,374.05
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 31, 2000

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total P+I
3/01/2012	23,359.00	2.000%	5,016.61	28,374.61
6/01/2012	23,479.00	2.000%	4,998.82	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	23,949.00	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	25,299.00	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	26,188.00	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%	1,109.88	28,373.88
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

12/10/07

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, Sinclair & 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 Sinclair & Associates, Inc.  
400 Democrat Drive  
Frankfort, Kentucky 40601

BOND INSURER

Financial Security Assurance Inc.  
31 W 52<sup>nd</sup> 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: *P. LaFite*  
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

CH929020.4

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, Sinclair & Associates, LLC (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate

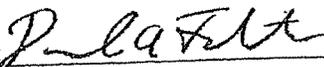
purchase price of \$ \_\_\_\_\_ (representing par value less an Underwriter's discount of \$ \_\_\_\_\_ and a net original issue discount[premium] of \$ \_\_\_\_\_), plus interest accrued of \$ \_\_\_\_\_ on the Series 2007 Bonds from December 1, 2007 to \_\_\_\_\_, 2007 (the "Closing Date").

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

CH929020.4

SCHEDULE 1  
SERIES 2007 BOND TERMS

<u>Bond No.</u>	<u>Maturity Date</u> (November 1)	<u>Principal Amount</u> (thousands)	<u>Interest Rate</u>	<u>Price or Yield</u>
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.

2007

Bond Authorizing Ordinance

---

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, Sinclair & 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 the 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 the 1993 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  $\frac{1}{6}$ th 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  $\frac{1}{12}$ th 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 charges, 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, Sinclair & 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

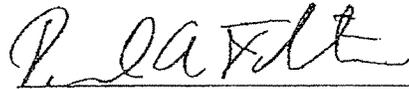
Section 10.15. Effective Date.

This Ordinance shall take effect immediately upon enactment.

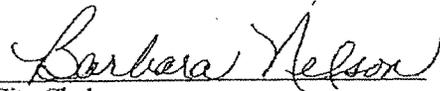
SIGNATURES

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]

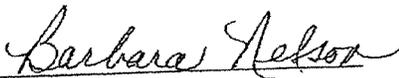
  
City Clerk

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 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

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

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF HUNTINGTON (WEST VIRGINIA)  
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2007

SPECIMEN

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]

*[Signature]*  
\_\_\_\_\_  
Mayor

**SPECIMEN**

ATTEST:

*[Signature]*  
\_\_\_\_\_  
City Clerk

**SPECIMEN**

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: \_\_\_\_\_

Its: Authorized Officer

*SP...*  
*of...*  
**SP...**

(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.

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.

\$265,000

**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, 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 ERO

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  
**SPECIMEN**

\$320,000

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, 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

<b>Sources Of Funds</b>	
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
<b>Total Sources</b>	<b>\$6,185,690.91</b>
<b>Uses Of Funds</b>	
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
<b>Total Uses</b>	<b>\$6,185,690.91</b>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

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
<b>TOTAL</b>	<b>\$68,250.00</b>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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

Part 1 of 2

**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%	746,423.20
11/01/2020	Serial Coupon	4.000%	3.950%	395,000.00	100.330%	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
<b>Total</b>				<b>\$5,500,000.00</b>		<b>\$5,502,113.85</b>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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**

Part 2 of 2

Bid Information

<u>Par Amount of Bonds</u>	<u>\$5,500,000.00</u>
<u>Reoffering Premium or (Discount)</u>	<u>2,113.85</u>
<u>Gross Production</u>	<u>\$5,502,113.85</u>
<u>Total Underwriter's Discount (1.427%)</u>	<u>\$(78,500.00)</u>
<u>Bid (98.611%)</u>	<u>5,423,613.85</u>
<u>Total Purchase Price</u>	<u>\$5,423,613.85</u>
<u>Bond Year Dollars</u>	<u>\$49,824.44</u>
<u>Average Life</u>	<u>9.059 Years</u>
<u>Average Coupon</u>	<u>3.8425251%</u>
<u>Net Interest Cost (NIC)</u>	<u>3.9958357%</u>
<u>True Interest Cost (TIC)</u>	<u>4.0212287%</u>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

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**

Part 1 of 2

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
<b>Total</b>	<b>\$7,414,516.78</b>	<b>(486,860.00)</b>	<b>(37,788.51)</b>	<b>\$6,889,868.27</b>	<b>\$7,698,331.40</b>	<b>\$808,463.13</b>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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**

Part 2 of 2

**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

**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)
<b>Total</b>	<b>\$5,500,000.00</b>	<b>-</b>	<b>\$1,914,516.78</b>	<b>\$7,414,516.78</b>	<b>(486,860.00)</b>	<b>(37,788.51)</b>	<b>\$6,889,868.27</b>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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**

Part 1 of 2

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>TOTAL P+I</u>
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
<b>Total</b>	<b>\$5,500,000.00</b>	<b>\$1,914,516.78</b>	<b>\$7,414,516.78</b>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

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**

Part 2 of 2

**PROOF OF RESERVE FUND**

**MAXIMUM PERIODIC DEBT SERVICE**

486,860.00

100 % of the Maximum Periodic Debt Service

**AVERAGE PERIODIC DEBT SERVICE**

7,414,516.78

Total P+I

15.84

Bond Years (Delivery Date)

584,946.10

125 % of the Average Periodic Debt Service

**PERCENT OF PAR**

550,000.00

10 % of Par

**RESERVE REQUIREMENT**

486,860.00

Computed Requirement

486,860.00

Proof's Requirement

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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%

Part 1 of 2

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

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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%**

Part 2 of 2

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

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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**

Part 1 of 2

<u>Maturity</u>	<u>Issuance Value</u>	<u>Price</u>	<u>Issuance PRICE</u>	<u>Exponent</u>	<u>Bond Years</u>
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
<b>Total</b>	<b>\$5,500,000.00</b>	<b>-</b>	<b>\$5,502,113.85</b>	<b>-</b>	<b>\$49,752,537.77</b>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

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**

Part 2 of 2

**IRS Form 8038**

<u>Weighted Average Maturity = Bond Years/Issue Price</u>	<u>9.042 Years</u>
<u>Total Interest from Debt Service</u>	<u>1,914,516.78</u>
<u>Reoffering (Premium) or Discount</u>	<u>(2,113.85)</u>
<u>Total Interest</u>	<u>1,912,402.93</u>
<u>NIC = Interest / (Issue Price * Average Maturity)</u>	<u>3.8438299%</u>
<u>Bond Yield for Arbitrage Purposes</u>	<u>4.1993149%</u>

2007A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

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**

Part 1 of 2

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

1993A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

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**

Part 2 of 2

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P+i</u>
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
<b>Total</b>	<b>\$5,255,000.00</b>	<b>-</b>	<b>\$3,071,431.40</b>	<b>\$8,326,431.40</b>

Yield Statistics

<u>Base date for Avg. Life &amp; Avg. Coupon Calculation</u>	<u>12/27/2007</u>
<u>Average Life</u>	<u>10.803 Years</u>
<u>Average Coupon</u>	<u>5.3340041%</u>
<u>Weighted Average Maturity (Par Basis)</u>	<u>10.803 Years</u>

Refunding Bond Information

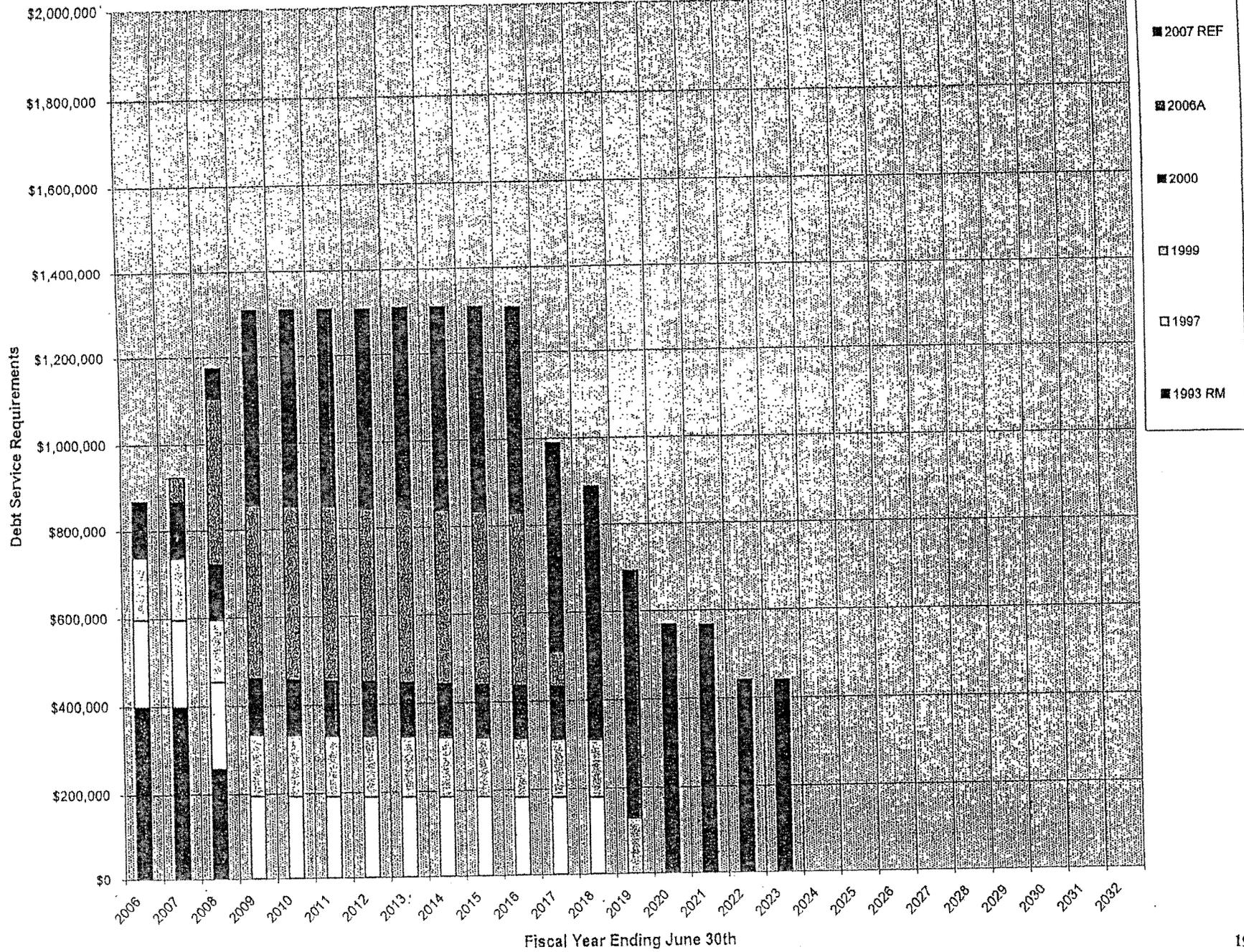
<u>Refunding Dated Date</u>	<u>12/27/2007</u>
<u>Refunding Delivery Date</u>	<u>12/27/2007</u>

1993A | SINGLE PURPOSE | 12/18/2007 | 4:00 PM

Ross, Sinclair & 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	--	--	--



*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
<b>Totals:</b>	<b>\$1,053,152</b>	<b>\$2,464,422</b>	<b>\$1,903,389</b>	<b>\$1,956,243</b>	<b>\$3,677,763</b>	<b>\$6,970,817</b>	<b>\$18,025,785</b>

*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	\$8,356.41	\$31,026.41	\$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	\$25,533	\$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	---	---

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 through 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]

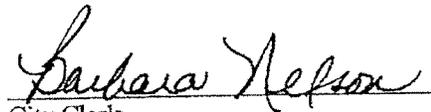
  
\_\_\_\_\_  
City Clerk

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 A**

**CONFORMED BOND ORDINANCE**

Ordinance No \_\_\_\_\_

**Table of Contents**

**ARTICLE I  
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

- Section 1.01 Authority for this Ordinance
- Section 1.02 Findings
- Section 1.03 Bond Legislation Constitutes Contract
- Section 1.04 Definitions

**ARTICLE II  
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION  
OF THE PROJECT**

- Section 2.01 Authorization of Acquisition and Construction of the Project

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

- Section 3.01 Authorization of Bonds
- Section 3.02 Terms of Bonds
- Section 3.03 Execution of Bonds
- Section 3.04 Authentication and Registration
- Section 3.05 Negotiability, Transfer and Registration
- Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost

- Section 3.07 Bonds not to be Indebtedness of the Issuer
- Section 3.08 Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds
- Section 3.09 Delivery of Bonds
- Section 3.10 Form of Bonds  
FORM OF SERIES 2010 A BOND
- Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
- Section 3.12 Filing of Amended Schedule

**ARTICLE IV**

[RESERVED]

**ARTICLE V**

**FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

- Section 5.01 Establishment of Funds and Accounts with Depository Bank
- Section 5.02 Establishment of Funds and Accounts with Commission
- Section 5.03 System Revenues; Flow of Funds

**ARTICLE VI**

**APPLICATION OF BOND PROCEEDS**

- Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
- Section 6.02 Disbursements of Bond Proceeds

**ARTICLE VII**

**ADDITIONAL COVENANTS OF THE ISSUER**

- Section 7.01 General Covenants of the Issuer
- Section 7.02 Bonds not to be Indebtedness of the Issuer
- Section 7.03 Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds
- Section 7.04 Rates and Charges
- Section 7.05 Sale of the System
- Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
- Section 7.07 Parity Bonds
- Section 7.08 Books; Records and Audit
- Section 7.09 Rates
- Section 7.10 Operating Budget and Monthly Financial Report
- Section 7.11 Engineering Services and Operating Personnel
- Section 7.12 No Competing Franchise
- Section 7.13 Enforcement of Collections
- Section 7.14 No Free Services
- Section 7.15 Insurance and Construction Bonds
- Section 7.16 Mandatory Connections

Section 7.17	Completion and Operation of Project; Permits and Orders
Section 7.18	Compliance with the Loan Agreement and the Law
Section 7.19	Tax Covenants
Section 7.20	Securities Law Compliance
Section 7.21	Contracts; Change Orders; Public Releases
Section 7.22	Statutory Mortgage Lien

**ARTICLE VIII  
INVESTMENT OF FUNDS**

Section 8.01	Investments
Section 8.02	Arbitrage and Tax Exemption
Section 8.03	Tax Certificate and Rebate

**ARTICLE IX  
DEFAULT AND REMEDIES**

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

**ARTICLE X  
PAYMENT OF BONDS**

Section 10.01	Payment of Series 2010 A Bonds
---------------	--------------------------------

**ARTICLE XI  
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Conflicting Provisions Repealed; Prior Ordinance
Section 11.06	Covenant of Due Procedure, Etc.
Section 11.07	Statutory Notice and Public Hearing
Section 11.08	Effective Date

CERTIFICATION  
EXHIBIT A

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 15<sup>th</sup> 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

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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  $\frac{1}{3}$ rd 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  $\frac{1}{3}$ rd 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  $\frac{1}{120}$ th 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.

[Remainder of Page Intentionally Blank]

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]

  
City Clerk

10.27.09  
435500.00022

SPECIMEN

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

\$4,022,945

No. AR-1

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 15<sup>th</sup> 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.

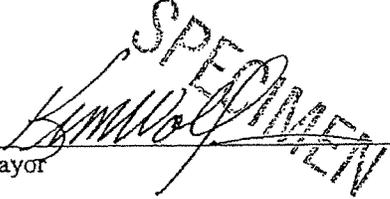
All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there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

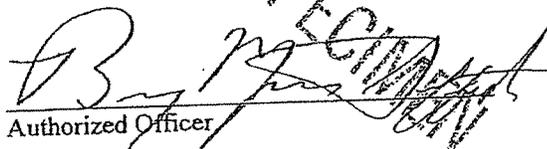
SPECIMEN

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

  
Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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

**BOND DEBT SERVICE**

City of Huntington

20 Years

2% Interest Rate

1% Administrative Fee

Period Ending	Principal	Coupon	Interest	Debt Service
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
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
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 *
	<b>4,022,945</b>		<b>868,002.14</b>	<b>4,890,947.14</b>

\*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:

\_\_\_\_\_



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.

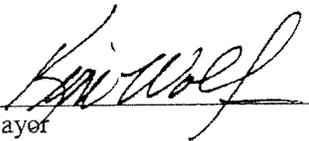
Section 13. The Executive Director of the Sanitary Board is authorized to approve draw requests for payment of invoices.

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.

  
Mayer

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]

  
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**

**Table of Contents**

**ARTICLE I**  
**STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

Section 1.01	Authority for this Ordinance
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

**ARTICLE II**  
**AUTHORIZATION OF ACQUISITION AND CONSTRUCTION**  
**OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
--------------	--

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

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration

Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds
Section 3.09	Delivery of Bonds
Section 3.10	Form of Bonds FORM OF SERIES 2010 A BOND FORM OF SERIES 2010 B BOND
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
Section 3.12	Filing of Amended Schedule

#### ARTICLE IV

[RESERVED]

#### ARTICLE V

#### FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

#### ARTICLE VI

#### APPLICATION OF BOND PROCEEDS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02	Disbursements of Bond Proceeds

#### ARTICLE VII

#### ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds
Section 7.04	Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections

Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Mandatory Connections
Section 7.17	Completion and Operation of Project; Permits and Orders
Section 7.18	Compliance with the Loan Agreement and the Law
Section 7.19	Tax Covenants
Section 7.20	Securities Law Compliance
Section 7.21	Contracts; Change Orders; Public Releases
Section 7.22	Statutory Mortgage Lien

**ARTICLE VIII  
INVESTMENT OF FUNDS**

Section 8.01	Investments
Section 8.02	Arbitrage and Tax Exemption
Section 8.03	Tax Certificate and Rebate

**ARTICLE IX  
DEFAULT AND REMEDIES**

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

**ARTICLE X  
PAYMENT OF BONDS**

Section 10.01	Payment of Series 2010 A Bonds
Section 10.02	Payment of Series 2010 B Bonds

**ARTICLE XI  
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Conflicting Provisions Repealed; Prior Ordinance
Section 11.06	Covenant of Due Procedure, Etc.
Section 11.07	Statutory Notice and Public Hearing
Section 11.08	Effective Date

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 I 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:

[Remainder of Page Intentionally Blank]

(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 15<sup>th</sup> 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

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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 15<sup>th</sup> 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

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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.

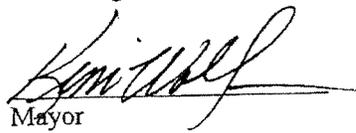
[Remainder of Page Intentionally Blank]

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

# 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 15<sup>th</sup> 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]

*[Handwritten Signature]*  
\_\_\_\_\_  
Mayor

**SPECIMEN**

ATTEST:

*Barbara [Handwritten Signature]*  
\_\_\_\_\_  
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

**SPECIMEN**

EXHIBIT A  
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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

<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
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
	<b>2,622,055</b>		<b>565,742.33</b>	<b>3,187,797.33</b>

\* 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