THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A
(TAX-EXEMPT)

Closing Date: September 22, 2016



JACKSONKELLY[SM]
ATTORNEYS AT LAW PLLC

Bill No. 7679

Introduced in Council	Passed by Council
February 1, 2016	
Introduced by	Referred to
Bobby Reishman	Finance Committee

AN ORDINANCE WITH RESPECT TO APPROVING THE PORTERS HOLLOW SANITARY SEWER REPLACEMENT AND REHABILITATION PROJECT.

WHEREAS, the Sanitary Board is pursuing a sewer replacement and rehabilitation project in the Porters Hollow area of the City of Charleston which is necessary to correct older, failing sewer collection lines and is necessary for the health and welfare of the citizens of the City of Charleston (the "Porters Hollow Project"); and

WHEREAS, Chapter 24, Article 2, Section 11(l) of the Code of West Virginia, 1931, as amended, provides that the Council of the City of Charleston shall read the proposed construction and the proposed rates, fees and charges at two meetings, with at least two weeks between each meeting, with a public hearing to be conducted with or following the second reading, and that enactment of the proposed construction and the proposed rates, fees and charges shall follow an affirmative vote of the governing body and shall be effective no sooner than forty-five days following the action of the governing body; and

WHEREAS, the Porters Hollow Project consists of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to its existing sewerage system, including but not limited to, the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive, and all necessary appurtenances; provided, that to the extent that the funds

remain available extensions, additions, betterments and improvements to the remaining portion of the existing sewer system; and

WHEREAS, the Sanitary Board is proposing no increase in its rates, fees and charges to support the Porters Hollow Project, thus the rates, fees and charges previously approved by the Council of the City of Charleston for the Sanitary Board will be charged;

Now, therefore, be it ordained by the Council of the City of Charleston, West Virginia:

Section 1. That the construction of the Sanitary Board's Porters Hollow Sewer Replacement and Rehabilitation Project consisting of the design, acquisition and construction of certain extensions, additions, betterments and improvements to its existing sewerage system, including but not limited to, the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive, and all necessary appurtenances; provided, that to the extent that the funds remain available extensions, additions, betterments and improvements to the remaining portion of the existing sewer system is hereby authorized and approved; and

Section 2. That, in accordance with the requirements of Chapter 24, Article 2, Section 11 of the Code of West Virginia, 1931, as amended, the approval of the proposed construction shall be effective no sooner than 45 days from the date of said approval; and

Section 3. This Ordinance shall be effective immediately upon adoption.

Passed on First Reading: _____

Adopted on Second Reading: _____

_____ _____

Mayor Danny Jones City Clerk J. B. Akers

NOTICE OF SPECIAL MEETING OF THE
COUNCIL OF THE CITY OF CHARLESTON

Pursuant to the provisions of Section 22 of the Charter of the City of Charleston, West Virginia, I Danny Jones, Mayor, do hereby call a Special Meeting of the City Council to be held at 6:00p.m., Tuesday, March 22, 2016, in the Council Chamber, located in the City Hall Building, for purpose of said Council to adopt a Resolution approving the Official Municipal Budget Document for the fiscal year 2016-2017.

JB Akers
City Clerk

PUBLIC HEARING

March 7, 2016

Bill No. 7680- A Bill authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City of Charleston.

In favor of:

1.

2.

3.

4. None

5.

Opposed to:

1.

2.

3.

4.

5.

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

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Bill No. 7680

Introduced in Council:

February 1, 2016

Introduced by:

Bobby Reishman

Referred to:

Finance Committee

Passed by Council:

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

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

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

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

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

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

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

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

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

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

		Designation Lien Position
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien

11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
12.	$5,160,000 Sewerage System Refunding Revenue Bonds, Series 2002 B, dated December 1, 2002 (the "Series 2002 B Bonds").	First Lien
13.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
14.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
15.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
16.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
17.	Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	$11,613,300 Sewerage System Revenue First Lien
18.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
19.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
20.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
21.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien

22.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
23.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

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

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

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

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

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

J. All things necessary to make the Series 2016 A Bonds, when authenticated by the Registrar and issued as in this Ordinance and the Supplemental Resolution provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 A Bonds, will be timely done and duly performed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2016 A Bonds and which shall be designated

as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in this Ordinance to the Bond Insurer shall be null and void and have no force and effect.

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

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

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

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

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

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

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

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

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

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

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

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

"Council" or "City Council" means the Council of the City.

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

"DTC" means The Depository Trust Company, New York, New York.

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

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

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

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

"Mayor" means the Mayor of the City.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

"Rebate Fund" means the Rebate Fund created by Section 6.11 hereof.

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

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

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

"Registrar" means the entity named as such in the Supplemental Resolution.

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

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

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

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

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

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

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

"State" means the State of West Virginia.

"Supplemental Ordinance" or "this Ordinance" means this ordinance as hereafter amended or supplemented.

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

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

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

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

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

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

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

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

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

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

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

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

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

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

B. If the Series 2016 A Bonds are sold to an Original Purchaser other than the Authority, then any Series 2016 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2016 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Bonds issued in exchange for Series 2016 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2016 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

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

Section 3.02. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 A Bonds shall cease to be such officer of the City before the Series 2016 A Bonds so signed and sealed have been sold and delivered, such Series 2016 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 A Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Series 2016 A Bonds, shall hold the proper office in the City, although at the date of such Series 2016 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in

the form set forth in the Supplemental Resolution, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2016 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

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

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

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

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 A Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Series 2016 A Bond in exchange and substitution for such mutilated Series 2016 A Bond, upon surrender and cancellation of such mutilated Series 2016 A Bond, or in lieu of and substitution for the Series 2016 A Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the City proof of ownership thereof and satisfactory

indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Series 2016 A Bond. All Series 2016 A Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Series 2016 A Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

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

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

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

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

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

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

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

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

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

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

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

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account for the Series 2016 A Bonds to purchase Term Bonds at a price less than the par value

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

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

Section 3.12. Notice of Redemption. Unless waived by any Registered Owner of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, if any, the Original Purchaser and the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

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

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

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

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

If funds sufficient to redeem all Series 2016 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys are not so deposited, the Registrar shall notify all Registered Owners of such Bonds called for redemption of such fact. Failure to deposit such moneys and redeem the Bonds called for optional redemption shall not constitute an Event of Default under the Ordinance.

Official notice of redemption having been given as aforesaid, the Series 2016 A Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2016 A Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2016 A Bond, there shall be prepared for the Registered Owner a new Series 2016 A Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Series 2016 A Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

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

Section 3.13. Persons Treated as Owners. The City, the Registrar, the Paying Agent and any agent of the City, the Registrar or the Paying Agent may treat the person in whose name any Bond is registered as the Registered Owner of such Series 2016 A Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, whether or not such Series 2016 A Bond is overdue.

Section 3.14. [Reserved]

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

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

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

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

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

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

Section 3.16. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.17. Book Entry System for Series 2016 A Bonds. A. If the Supplemental Resolution provides for registration in the name of CEDE & CO., the following provisions shall apply. The Series 2016 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2016 A Bond or any other evidence of ownership of the Series 2016 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 A Bonds, the City and, if required, the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar

shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 A Bonds shall be made to DTC or its nominee as required by DTC. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 A Bonds so redeemed, but DTC may retain such Series 2016 A Bonds and make an appropriate notation on the Series 2016 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 A Bonds, selecting the Series 2016 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 A Bonds. In either of such events (unless in the case described in clause (i) above, the City appoints a successor securities depository), the Series 2016 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall

cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 A Bonds.

ARTICLE IV

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

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

1. All interest accrued on the Series 2016 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2016 A Bonds Sinking Fund and applied to payment of interest on the Series 2016 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer via wire transfer.

3. An amount of the proceeds of the Series 2016 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 A Bonds Reserve Account; provided, that to the extent the Series 2016 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 A Bonds shall be deposited in the Series 2016 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 A Bonds Reserve Requirement.

4. The amount of Series 2016 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 A Bonds shall be deposited with the Depository Bank in the Series 2016 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2016 A Bonds at the written direction of the City. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 A Bonds, such unapplied proceeds shall be transferred by the City to the Series 2016 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 A Bonds from which such proceeds are derived.

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

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

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

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

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

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

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

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

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

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

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

(2) Simultaneously with the principal payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also

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

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

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

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

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

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

Moneys in the respective Sinking Funds shall be used only for the purposes of paying principal of and interest on the respective series of Bonds as the same shall become due. Moneys in the respective Reserve Accounts shall be used only for the purposes of paying

principal of and interest on the respective series of Bonds as the same shall become due, when other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.

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

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

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

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

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

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

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

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

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

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest

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

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

(A) Qualified Investments acquired for the Series 2016 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

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

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 A Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

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

(E) Notwithstanding the foregoing, all monies deposited in the Series 2016 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia

"consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

ARTICLE V

DEFAULT AND REMEDIES

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

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

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

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

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

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

Section 5.03. Appointment of Receiver. Any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for

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

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

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

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

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

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

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

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

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

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

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

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

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

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

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

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

The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the

Bonds issued pursuant to the Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

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

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

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

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

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

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

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

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

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

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

C. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the terms thereof is, under the terms of such Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

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

E. FEDERAL GUARANTEE PROHIBITION. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

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

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

Section 6.10. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so that such Series 2016 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on the Series 2016 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.11. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Series 2016 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully

available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.11. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.11 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

Section 6.12. Securities Laws Compliance. If required by the Supplemental Resolution the City will provide the Original Purchaser, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Original Purchaser may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240). The City

will also deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as amended from time to time.

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

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2016 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2016 A Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of said Series 2016 A Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2016 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2016 A Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities means and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Section 6.14. Rates and Charges. The City has obtained any and all approvals of rates and charges required by state law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of

the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the City duly enacted on November 16, 2015, which rates are incorporated herein by reference as a part hereof.

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

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

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

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

Section 6.16. Continuing Disclosure Agreement. If required by the Supplemental Resolution, the City shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the City hereby instructs the Mayor and Sanitary Board to take all actions necessary for the City to comply with the continuing disclosure agreement and to make the filings with EMMA.

ARTICLE VII

REGISTRAR

Section 7.01. Appointment of Registrar. The Registrar for the Series 2016 A Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 7.02. Responsibilities of Registrar. The recitals of fact in the Series 2016 A Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 A Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described above.

Section 7.03. Evidence on Which Registrar May Act. Except as otherwise provided herein, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

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

Section 7.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners or effect or aid in any

reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Bonds Outstanding.

Section 7.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City. A copy of such notice shall also be mailed to each Registered Owner. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or the Registered Owners, in which event such resignation shall take effect immediately; provided that, in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.07. Removal. The Registrar may be removed at any time by the City, the Bond Insurer or the Registered Owners of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City, by the Bond Insurer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the City, the Bond Insurer or the Registered Owners, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided that, in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A copy of such notice shall also be mailed to each Registered Owner of the Bonds. Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owners. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 7.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 7.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 7.08 hereof.

Section 7.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2016 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2016 A Bonds in the name of the predecessor Registrar or in its own name.

ARTICLE VIII

MISCELLANEOUS

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

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

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

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

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

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

CERTIFICATE OF TRUTH AND ACCURACY

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

Dated this ___ day of _____, 2016.

_____
City Clerk

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

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

EXHIBIT B

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

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

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

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

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

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

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

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

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

/s/_____
City Clerk of The City of Charleston, West Virginia

City of Charleston
Office of the City Clerk
P.O. Box 2749
Charleston, WV 25330
(304) 348-8179

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Bill 7674, enacted by the City Council of the City of Charleston on November 16, 2015.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 16th day of September, 2016.

J.B. Akers
City Clerk

Seal

PUBLIC HEARING

November 16, 2015

1. Bill No. 7674—Amending and Reenacting Section 118-141 of Division 4 of Article III of Chapter 118 of the Code of the City of Charleston with Respect to Adoption of Rules and Regulations and Increasing Existing Rates and Charges for Sanitary Sewer Services

---

In favor of:

1. None
2.
3.
4.
5.

Opposed to:

1.
2.
3.
4.
5.

Bill No. 7674

Introduced in Council

November 2, 2015

Introduced by

Robert Reishman

Passed by Council

Referred to

Finance

AN ORDINANCE AMENDING AND REENACTING SECTION 118-141 OF DIVISION 4 OF ARTICLE III OF CHAPTER 118 OF THE CODE OF THE CITY OF CHARLESTON, WEST VIRGINIA, WITH RESPECT TO ADOPTION OF RULES AND REGULATIONS AND INCREASING EXISTING RATES AND CHARGES FOR SANITARY SEWER SERVICE.

WHEREAS, in order to protect the public health, safety and welfare, the Council of the City of Charleston ("City Council") has determined that it is necessary for the Sanitary Board of the City of Charleston (the "Sanitary Board") to complete projects of betterments and improvements to the existing public sewerage system of the City of Charleston ("System"), consisting of replacements, rehabilitation, and improvements to the wastewater collection and treatment system ("Projects"); and

WHEREAS, in order for the Sanitary Board to collect annual revenues necessary to pay the personnel expenses, operation and maintenance expenses, and the debt service, including the Projects' improvements, of the System, the existing rates and charges for sanitary sewer service to the customers of the Sanitary Board must be increased; now, therefore

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

SECTION 1. That Bill No. 7502 of the City of Charleston, West Virginia, enacted the 21st day of November 2011, and codified in the City Code of the City of Charleston as Section 118-141 "Adoption of Certain Rules and Regulations and Establishment of a Schedule of Just and Equitable Rates or Charges; Use of Water Meters" of Division 4 of Article III of Chapter 118 be further amended and reenacted by establishing a schedule of rates and charges for the use of services rendered by the System, all of said Section is hereby amended to provide as follows:

Sec. 118-141. Adoption of certain rules and regulations and establishment of a schedule of just and equitable rates or charges; use of water meters.

For the operation of the system and for the payment of proper and reasonable expense of operations, repair, replacements, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established rules and regulations and a schedule of just and equitable rates or charges for the use of the ~~s~~Sanitary ~~b~~Board, which rules and regulations and schedule of rates or charges, based upon the metered amount of water supplied the premises, or based upon reasonable methods if metered water documentation is not available, shall be as follows:

(1) *Rules and regulations.*

a. Rules and regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto, and modifications thereof hereafter made by said ~~e~~Commission.

b. ~~On~~For all premises and locations having a private water supply (that is, a well, cistern, or other water source not provided and metered by a public or private water utility) and connected to the sewer system and works, and ~~on~~for all premises and locations otherwise connected to the sewer system and works (such as a Sanitary Board approved RV dump, or other domestic (non-industrial and non-commercial) sewerage collection facility), the minimum charge will be billed each month until such time as a metering method of the discharge from said premises or location is established.

c. If for any reason there be no record of the amount of water supplied to a metered premises any month, ~~then~~ the minimum charge shall be billed for that month.

d. The water utility may adjust usage for reasons including hidden leaks, over-read meters, and public relations. Upon a customer-of-record's request for an adjustment, the Sanitary Board will review the monthly meter information from the water utility and recommend an adjustment, if necessary. In cases where the meter information cannot be used, the customer-of-record's monthly use will be estimated from the average of the previous six-month period. The Sanitary Board does not make public relations adjustments.

~~d~~e. Users, the nature and character of whose use is such that the amount of water discharged into the ~~said~~sewer system is deemed by the sSanitary ~~b~~Board to be substantially less or more than the amount of metered water supplied the premises, ~~shall~~may be charged for sewer service substantially on the basis of the amount of water discharged into the sewer system, as may be determined according to ~~formulae~~method(s) approved by the sSanitary ~~b~~Board.

f. The Sanitary Board does not make adjustments for water that is not returned to the sewer system, including water used for swimming pools, lawn watering, cooling towers, and coin laundries. The Sanitary Board does not allow deduct meters to be installed on the water line. A customer may install and maintain a separate water meter at his expense for water used but not returned to the sewer system.

g. Sanitary Board customers are not billed for the first 60 days of construction to allow a builder a grace period in order to connect a new facility to the sewer system. The 60 day period may be extended for good cause shown at the sole discretion of the Sanitary Board's General Manager.

h. Final approval of any adjustment is made by the Sanitary Board's Finance Manager. Adjustments in excess of $25.00 are paid within thirty (30) days. Adjustments under $25.00 are

credited to the customer's account, unless the account is terminated.

~~e~~i. In apartment buildings, mobile home courts, shopping centers and other places where more than one occupancy unit is served with water through one water meter, the customer shall be required to pay ~~not less than~~ (1) the minimum monthly charge ~~provided in the tariff~~ for each occupancy unit, or (2) actual metered water usage, whichever is greater.

(2) *Rates.*

a. For sewage that does not contain industrial waste:

In excess of 2,000 gallons used per month, per thousand gallons . . . ~~$11.97~~14.26

b. For sewage that contains industrial waste:

1. Where the character of sewage from any manufacturing or industrial plant, building or premises is such that it imposes a burden upon the sewer system in addition to the burden imposed by ~~the average~~domestic sewage entering the sewer system, the ~~s~~Sanitary ~~b~~Board may~~, if it deems advisable to do so,~~ compel the owner, tenant or occupant of such manufacturing or industrial plant, building or premises to treat such sewage in such manner as shall be specified by the ~~s~~Sanitary ~~b~~Board before discharging into the sewer system. In the absence of such treatment sufficient to

remove such additional burden, the charges for treatment of such sewage shall be as follows:

Monthly service charge . . . ~~$9,952.65~~10,000.00

Volumetric treatment charge, per thousand gallons . . . ~~$5.43~~6.50

Biochemical oxygen demand (BOD) charge, per pound . . . ~~$0.56~~0.65

Total Suspended Solids (TSS) charge, per pound . . . ~~$0.44~~0.50

2. When an industrial user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the ~~s~~Sanitary ~~b~~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.

(3) *Minimum charge.* No bill will be rendered for less than ~~$21.87~~26.06 for each month or fraction thereof, for usage of 2,000 gallons or less.

(4) *Recovery of bank charges.* If a bank or other financial institution returns a customer's check to the ~~s~~Sanitary ~~b~~Board and charges a fee to the ~~s~~Sanitary ~~b~~Board for such service, the fee charged will be added to the account of the customer whose check is returned.

(5) *Pretreatment charge.* In addition to all other charges contained herein, all customers who operate under a pretreatment permit will pay an annual charge of $2500.00, payable on July 1 of each year.

(6) *Disconnect, lien, and reconnect fees.* If the ~~s~~Sanitary ~~b~~Board gives notice to a provider of water service to disconnect water service to a customer of the ~~s~~Sanitary ~~b~~Board, the following charges will be added to the account of such customer:

a. A charge equal to that imposed upon the ~~s~~Sanitary ~~b~~Board by the water service provider, plus any legally required certified mail charge, will be added to such customer's account at the time notice to disconnect is given to the water provider.

b. A charge equal to the filing fee to cover the cost of placing a lien on the property served will be added to the account of such customer at the time such lien is filed in the office of the clerk of the county commission of the county where the property served is located.

c. A reconnect charge equal to that imposed upon the ~~s~~Sanitary ~~b~~Board by the water service provider will be made at the time the customer pays the amounts due on such customer's account and requests the reconnection of water and sewer service.

(7) *New service fee.* A new service fee equal to the greater of $250.00 or the ~~s~~Sanitary ~~b~~Board's actual cost of making the connection shall be

paid before sewer service can be obtained at any location not previously connected to the Sanitary Board's collection system ~~of a sewer utility~~.

(8) *Delayed Payment Penalty.* On all current usage billings not paid in full by the latest pay date, which shall be no sooner than the 20th day following the date the ~~s~~Sanitary ~~b~~Board mails the bill, ten percent 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.

(9) *Grease trap charge.* In addition to all other charges contained herein, all customers who are required by the ~~s~~Sanitary ~~b~~Board to install a grease trap shall pay an annual charge of ~~$420.00~~450.00, payable on July 1 of each year.

SECTION 2. That, in accordance with the requirements of Chapter 16, Article 13, Section 16 of the Code of West Virginia, 1931, as amended, the City shall cause notice of the proposed adoption of this Ordinance to be published as a Class II-0 legal advertisement, with the first publication being made at least ten days before the City Council meeting at which a public hearing on this Ordinance will be held, and this Ordinance is to be finally adopted, and with said notice meeting the other requirements set forth in Code §16-13-16; and this notice and hearing is also with regard to an ordinance raising revenues in compliance with Chapter 8, Article 11, Section 4 of the Code of West Virginia, 1931, as amended; and

SECTION 3. That the rules and regulations and the rates and charges provided for herein shall be effective for service rendered on and after March 28, 2016, which is in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West

Virginia, 1931, as amended, designating that the rules and regulations and the rates and charges provided for herein cannot be effective sooner than 45 days from the date of adoption; and

SECTION 4. That, in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, notice of intent to effect a rate change shall be specified on the monthly billing statement of the customers of the Sanitary Board for the month next preceding the month in which the rate change is to become effective; and

SECTION 5. That, in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, a copy of this Ordinance shall be filed with the Public Service Commission, together with any information showing the basis of the rates and charges; and

SECTION 6. All prior ordinances, or parts of ordinances, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 7. This Ordinance shall be effective immediately upon adoption.

Passed on First Reading: _____

Adopted on Second Reading: _____

_____ _____

Mayor Danny Jones City Clerk J. B. Akers

PETITION OF THE SANITARY BOARD
OF
THE CITY OF CHARLESTON, WEST VIRGINIA

TO THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA:

Pursuant to the provisions of Chapter 16, Article 13, Section 5 of the Code of West Virginia, 1931, as amended, the Sanitary Board (the "Sanitary Board") of The City of Charleston, West Virginia (the "City"), hereby petitions the Council of the City (the "Council") to enact an ordinance (the "Ordinance") which shall:

(a) authorize the acquisition and construction of certain extensions, additions, betterments and improvements to the City's existing sewerage system (the "System") set forth in Exhibit A hereto (the "Porters Hollow Project") and incorporated herein by reference;

(b) authorize the issuance of not to exceed $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as may be required, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, the Sanitary Board which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction of the Porters Hollow Project, to fund reserve accounts for such bonds and to pay other costs in connection therewith;

(c) authorize the construction of the Porters Hollow Project; and

(d) contain such other provisions as may be necessary in the premises.

The Sanitary Board respectfully represents to the Council that one of the two persons appointed to the Sanitary Board by the Council is a registered professional engineer.

WITNESS our signatures on this 21st day of January, 2016.

THE SANITARY BOARD OF THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor of the City and
Ex-Officio Chairman

_____
Member

_____
Engineer-Member

EXHIBIT A

DESCRIPTION OF PROJECT

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

City of Charleston
Office of the City Clerk
P.O. Box 2749
Charleston, WV 25330
(304) 348-8179

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Bill 7680, enacted by the City Council of the City of Charleston on February 16, 2016.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 16th day of September, 2016.

J.B. Akers

City Clerk

Seal

COMMITTEE REPORT

TO: **Clerk of the Council of the City of Charleston, West Virginia**

FROM: **The Committee on FINANCE**

Your Committee on **Finance**

has had under consideration: Bill No. 7680, authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

and reports the same to Council with the recommendation that the Bill do pass

CHAIRMAN

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

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Bill No. 7680

Introduced in Council:

February 1, 2016

Introduced by:

Bobby Reishman

Referred to:

Finance Committee

Passed by Council:

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

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

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

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

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

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

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

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

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

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

		Designation Lien Position
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien

11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
12.	$5,160,000 Sewerage System Refunding Revenue Bonds, Series 2002 B, dated December 1, 2002 (the "Series 2002 B Bonds").	First Lien
13.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
14.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
15.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
16.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
17.	Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	$11,613,300 Sewerage System Revenue First Lien
18.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
19.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
20.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
21.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien

22.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
23.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

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

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

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

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

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

J. All things necessary to make the Series 2016 A Bonds, when authenticated by the Registrar and issued as in this Ordinance and the Supplemental Resolution provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 A Bonds, will be timely done and duly performed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2016 A Bonds and which shall be designated

as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in this Ordinance to the Bond Insurer shall be null and void and have no force and effect.

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

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

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

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

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

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

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

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

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

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

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

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

"Council" or "City Council" means the Council of the City.

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

"DTC" means The Depository Trust Company, New York, New York.

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

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

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

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

"Mayor" means the Mayor of the City.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

"Rebate Fund" means the Rebate Fund created by Section 6.11 hereof.

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

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

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

"Registrar" means the entity named as such in the Supplemental Resolution.

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

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

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

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

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

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

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

"State" means the State of West Virginia.

"Supplemental Ordinance" or "this Ordinance" means this ordinance as hereafter amended or supplemented.

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

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

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

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

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

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

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

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

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

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

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

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

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

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

B. If the Series 2016 A Bonds are sold to an Original Purchaser other than the Authority, then any Series 2016 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2016 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Bonds issued in exchange for Series 2016 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2016 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

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

Section 3.02. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 A Bonds shall cease to be such officer of the City before the Series 2016 A Bonds so signed and sealed have been sold and delivered, such Series 2016 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 A Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Series 2016 A Bonds, shall hold the proper office in the City, although at the date of such Series 2016 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in

the form set forth in the Supplemental Resolution, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2016 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

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

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

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

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 A Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Series 2016 A Bond in exchange and substitution for such mutilated Series 2016 A Bond, upon surrender and cancellation of such mutilated Series 2016 A Bond, or in lieu of and substitution for the Series 2016 A Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the City proof of ownership thereof and satisfactory

indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Series 2016 A Bond. All Series 2016 A Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Series 2016 A Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

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

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

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

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

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

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

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

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

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

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

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

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account for the Series 2016 A Bonds to purchase Term Bonds at a price less than the par value

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

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

Section 3.12. Notice of Redemption. Unless waived by any Registered Owner of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, if any, the Original Purchaser and the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

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

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

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

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

If funds sufficient to redeem all Series 2016 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys are not so deposited, the Registrar shall notify all Registered Owners of such Bonds called for redemption of such fact. Failure to deposit such moneys and redeem the Bonds called for optional redemption shall not constitute an Event of Default under the Ordinance.

Official notice of redemption having been given as aforesaid, the Series 2016 A Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2016 A Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2016 A Bond, there shall be prepared for the Registered Owner a new Series 2016 A Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Series 2016 A Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

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

Section 3.13. Persons Treated as Owners. The City, the Registrar, the Paying Agent and any agent of the City, the Registrar or the Paying Agent may treat the person in whose name any Bond is registered as the Registered Owner of such Series 2016 A Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, whether or not such Series 2016 A Bond is overdue.

Section 3.14. [Reserved]

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

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

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

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

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

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

Section 3.16. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.17. Book Entry System for Series 2016 A Bonds. A. If the Supplemental Resolution provides for registration in the name of CEDE & CO., the following provisions shall apply. The Series 2016 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2016 A Bond or any other evidence of ownership of the Series 2016 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 A Bonds, the City and, if required, the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar

shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 A Bonds shall be made to DTC or its nominee as required by DTC. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 A Bonds so redeemed, but DTC may retain such Series 2016 A Bonds and make an appropriate notation on the Series 2016 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 A Bonds, selecting the Series 2016 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 A Bonds. In either of such events (unless in the case described in clause (i) above, the City appoints a successor securities depository), the Series 2016 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall

cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 A Bonds.

ARTICLE IV

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

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

1. All interest accrued on the Series 2016 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2016 A Bonds Sinking Fund and applied to payment of interest on the Series 2016 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer via wire transfer.

3. An amount of the proceeds of the Series 2016 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 A Bonds Reserve Account; provided, that to the extent the Series 2016 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 A Bonds shall be deposited in the Series 2016 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 A Bonds Reserve Requirement.

4. The amount of Series 2016 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 A Bonds shall be deposited with the Depository Bank in the Series 2016 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2016 A Bonds at the written direction of the City. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 A Bonds, such unapplied proceeds shall be transferred by the City to the Series 2016 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 A Bonds from which such proceeds are derived.

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

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

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

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

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

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

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

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

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

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

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

(2) Simultaneously with the principal payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also

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

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

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

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

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

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

Moneys in the respective Sinking Funds shall be used only for the purposes of paying principal of and interest on the respective series of Bonds as the same shall become due. Moneys in the respective Reserve Accounts shall be used only for the purposes of paying

principal of and interest on the respective series of Bonds as the same shall become due, when other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.

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

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

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

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

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

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

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

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

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

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest

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

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

(A) Qualified Investments acquired for the Series 2016 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

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

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 A Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

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

(E) Notwithstanding the foregoing, all monies deposited in the Series 2016 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia

"consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

ARTICLE V

DEFAULT AND REMEDIES

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

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

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

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

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

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

Section 5.03. Appointment of Receiver. Any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for

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

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

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

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

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

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

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

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

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

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

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

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

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

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

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

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

The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the

Bonds issued pursuant to the Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

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

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

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

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

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

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

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

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

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

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

C. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the terms thereof is, under the terms of such Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

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

E. FEDERAL GUARANTEE PROHIBITION. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

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

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

Section 6.10. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so that such Series 2016 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on the Series 2016 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.11. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Series 2016 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully

available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.11. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.11 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

Section 6.12. Securities Laws Compliance. If required by the Supplemental Resolution the City will provide the Original Purchaser, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Original Purchaser may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240). The City

will also deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as amended from time to time.

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

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2016 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2016 A Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of said Series 2016 A Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2016 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2016 A Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities means and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Section 6.14. Rates and Charges. The City has obtained any and all approvals of rates and charges required by state law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of

the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the City duly enacted on November 16, 2015, which rates are incorporated herein by reference as a part hereof.

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

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

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

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

Section 6.16. Continuing Disclosure Agreement. If required by the Supplemental Resolution, the City shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the City hereby instructs the Mayor and Sanitary Board to take all actions necessary for the City to comply with the continuing disclosure agreement and to make the filings with EMMA.

ARTICLE VII

REGISTRAR

Section 7.01. Appointment of Registrar. The Registrar for the Series 2016 A Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 7.02. Responsibilities of Registrar. The recitals of fact in the Series 2016 A Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 A Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described above.

Section 7.03. Evidence on Which Registrar May Act. Except as otherwise provided herein, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

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

Section 7.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners or effect or aid in any

reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Bonds Outstanding.

Section 7.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City. A copy of such notice shall also be mailed to each Registered Owner. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or the Registered Owners, in which event such resignation shall take effect immediately; provided that, in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.07. Removal. The Registrar may be removed at any time by the City, the Bond Insurer or the Registered Owners of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City, by the Bond Insurer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the City, the Bond Insurer or the Registered Owners, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided that, in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A copy of such notice shall also be mailed to each Registered Owner of the Bonds. Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owners. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 7.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 7.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 7.08 hereof.

Section 7.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2016 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2016 A Bonds in the name of the predecessor Registrar or in its own name.

ARTICLE VIII

MISCELLANEOUS

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

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

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

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

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

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

CERTIFICATE OF TRUTH AND ACCURACY

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

Dated this ___ day of _____, 2016.

_____
City Clerk

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

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

EXHIBIT B

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

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

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

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

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

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

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

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

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

/s/_____
City Clerk of The City of Charleston, West Virginia

City of Charleston
Office of the City Clerk
P.O. Box 2749
Charleston, WV 25330
(304) 348-8179

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Resolution No. 778-16, enacted by the City Council of the City of Charleston on August 01, 2016.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 16th day of September, 2016.

J.B. Akers
City Clerk

Seal

COMMITTEE REPORT

TO: **Clerk of the Council of the City of Charleston, West Virginia**

FROM: **The Committee on FINANCE**

Your Committee on **Finance**

has had under consideration: Resolution No. 778-16, supplementing Ordinance No. 7680, passed by the Council of The City of Charleston, West Virginia, on February 16, 2016, and becoming effective following a public hearing on March 7, 2016, authorizing the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2016 A, in an aggregate principal amount of $18,000,000, the proceeds of which shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston, and adopting other provisions related thereto; and further authorizing that the Mayor, City Clerk, and all other appropriate officers and employees of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2016 A Bonds to be duly and properly issued and to otherwise facilitate the transaction contemplated by this Supplemental Resolution, which shall be effective immediately following adoption hereof.

and reports the same to Council with the recommendation that the committee report be adopted

CHAIRMAN

Resolution No. 778-16 :

Introduced in Council:

August 1, 2016

Adopted by Council:

August 1, 2016

Introduced by:

Robert Reishman

Referred to:

A resolution supplementing Ordinance No. 7680, passed by the Council of The City of Charleston, West Virginia, on February 16, 2016; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, and by Ordinance No. 7560 passed by the Council on February 19, 2013; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City"), on February 16, 2016, adopted Ordinance No. 7680, (the "Ordinance"), authorizing the issuance of The City of Charleston Sewerage System Revenue Bonds, in an aggregate principal amount not to exceed $18,000,000, in one or more series, to permanently finance the cost of design, acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage system of the City (the "Project");

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 provided for the issuance by the Issuer of its Sewerage System Revenue Bonds, Series 2016 A, in the aggregate principal amount of not more than $18,000,000 (the "Series 2016 A Bonds"), for the purposes of paying a portion of the costs

of acquisition and construction of additions, betterments and improvements to the System, capitalizing interest on the Series 2016 A Bonds, funding a reserve account for the Series 2016 A Bonds and paying costs of issuance thereof, all in accordance with Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act");

WHEREAS, the Ordinance provides for the issuance of the Series 2016 A Bonds, all in accordance with the Act, and further provides that the exact principal amount, series designation, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of and matters relating to, the Series 2016 A Bonds should be established by a supplemental resolution;

WHEREAS, the Ordinance, pursuant to Section 6 of the Act, directed the City Clerk to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Series 2016 A Bonds as described in the Ordinance and that any person interested may appear before the Council upon a certain day and present protests (the "Notice");

WHEREAS, the Ordinance required that the Abstract and Notice be published as a Class II legal advertisement in the Charleston Gazette-Mail, a newspaper published and of general circulation in the City, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Ordinance and the Notice at which interested persons may appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Ordinance and the Notice;

WHEREAS, the Ordinance and the Notice provided for a public hearing to be held at 7:00 p.m., prevailing time, on March 7, 2016, in Council Chambers in City Hall;

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2016 A Bonds should be established by supplemental resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Disclosure Dissemination Agent Agreement, a Registrar Agreement, a Bond Construction Fund Agreement and an Official Statement be approved and that other matters pertaining to the Series 2016 A Bonds be provided for by a supplemental resolution of the Council or pursuant to a Certificate of Determinations, that additional covenants and provisions relating to the Series 2016 A Bonds be provided therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2016 A Bonds and/or providing a debt service reserve insurance policy for such Series 2016 A Bonds and that other matters pertaining to the Series 2016 A Bonds be provided for by a supplemental resolution of this Council or by Certificate of Determinations;

WHEREAS, the Series 2016 A Bonds are proposed to be purchased by Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Council wishes to delegate to the Mayor the authority to approve, within the parameters set forth herein and in the Ordinance, the final terms of the Series 2016 A Bonds and all provisions of all documents relating to the Series 2016 A Bonds (the "Bond Documents"), without the requirement of further official action by this Council; and

WHEREAS, the Council deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement, the Disclosure Dissemination Agent Agreement, the Tax Certificate, Bond Construction Fund Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Preliminary Official Statement and Official Statement relating to the Series 2016 A Bonds, hereinafter described, be approved, that the Mayor be authorized to execute the Certificate of Determinations and enter into the Bond Purchase Agreement, all within the parameters hereby approved by the Council, and that other matters relating to the Series 2016 A Bonds be herein provided for, all in accordance with the Ordinance.

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

Section 1. It is hereby found and determined that:

(A) The Abstract and Notice were duly published in the Charleston Gazette-Mail, a newspaper published and of general circulation in the City, with the first publication thereof being not less than ten (10) days before the day set by the Ordinance and the Notice for the public hearing, at which interested persons may appear before the Council and present protests and suggestions and with the last publication thereof being prior to said date set by the Ordinance and the Notice for the public hearing, and the Affidavit of Publication reflecting such publications is incorporated herein by reference;

(B) In accordance with the Ordinance and the Notice, the City Clerk has maintained in his office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) In Council Chambers, City Hall, Charleston, West Virginia, on March 7, 2016, at 7:00 p.m. prevailing time, in accordance with the Ordinance and the Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the City; and

(E) The Ordinance shall be put into effect as of the date hereof and the Series 2016 A Bonds contemplated thereby shall be issued, all as provided in the Ordinance, this Supplemental Resolution and the Certificate of Determination.

Section 2. For the purposes of (i) paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the System; (ii) funding a debt service reserve account for the Series 2016 A Bonds either with cash or through the purchase of

a Municipal Bond Debt Service Reserve Insurance Policy; (iii) if determined to be financially advantageous to the Issuer, paying the premium for a Municipal Bond Insurance Policy; and (iv) paying costs of issuance of the Series 2016 A Bonds and related costs, the Council of the Issuer hereby authorizes and orders the issuance of the Series 2016 A Bonds in an aggregate principal amount not to exceed $18,000,000.

Section 3. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2016 A Bonds. The Series 2016 A Bonds shall be issued in the aggregate principal amount not to exceed $18,000,000, bear interest at a true interest rate not to exceed 6% payable semiannually, shall mature in not more than 20 years from the date of issue, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, and shall be subject to such redemption provisions, 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 2016 A Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as EXHIBIT A and approved hereby (the "Certificate of Determinations"), and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2016 A Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations.

Section 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute the Bond Purchase Agreement on behalf of the Issuer with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2016 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 5. A. The Tax and Non Arbitrage Certificate, to be dated the date of execution and delivery of the Series 2016 A Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Tax Certificate with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Tax Certificate by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby ratifies the Post-Issuance Compliance Policy adopted July 1, 2015.

Section 6. The Disclosure Dissemination Agent Agreement, to be dated the date of execution and delivery of the Series 2016 A Bonds (the "Disclosure Agreement"), by and between the Issuer and the Dissemination Agent named therein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of

Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 7. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto as EXHIBIT B, is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Bond Construction Fund Agreement by and between the Issuer and the Depository Bank designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Registrar Agreement and Bond Construction Fund Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement and Bond Construction Fund Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 9. The firm of Jackson Kelly PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2016 A Bonds.

Section 10. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia for the purpose of serving in the capacity of Registrar.

Section 11. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 12. The notice addresses for the Registrar/Depository Bank, Paying Agent and Original Purchaser shall be set forth in the Certificate of Determinations

Section 13. The Issuer may, in the Mayor's sole discretion, if determined to be financially advantageous, acquire a Municipal Bond Insurance Policy to secure the payment of

the principal of, and interest on, the Series 2016 A Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2016 A Bonds. These additional covenants and provisions shall be set forth in the Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Supplemental Resolution, and shall be controlling in the event any other provisions of the Ordinance and this Supplemental Resolution may be in conflict therewith.

Section 14. The Issuer may, in the Mayor's sole discretion, if determined to be financially advantageous, acquire a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Debt Service Reserve Fund for the Series 2016 A Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy for the Series 2016 A Bonds Debt Service Reserve Fund. These additional covenants and provisions shall be set forth in the Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Supplemental Resolution, and shall be controlling in the event any other provisions of the Ordinance and this Supplemental Resolution may be in conflict therewith.

Section 15. The rate covenant set forth in Section 6.03 of Ordinance No. 4423 is hereby ratified and confirmed as applicable for the Series 2016 A Bonds:

Section 6.03. Rates. Prior to the issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the City Clerk, each of which copies will be open to inspection by all interested parties. The rates and charges shall be effective as prescribed by the rules and regulations of the PSC. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay the Operating Expenses of the System and to make the prescribed payments into the funds and accounts created hereunder and under the Prior Ordinance. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year to pay the principal of and interest on the Original Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Original Bonds; provided, however, in the event that an amount at least equal to or in excess of the Reserve Account Requirement is on deposit in the Subordinate Reserve Account, an amount at least equal to the Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and any reserve account for the Prior Bonds is funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Original Bonds and any such prior or parity obligations including the Prior Bonds.

Section 16. The parity test set forth in Section 6.07 of Ordinance No. 1 4423 is hereby ratified and confirmed as applicable for the Series 2016 A Bonds:

Section 6.07. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant hereto, except under the conditions and in the manner herein provided. Except as expressly provided herein, no Parity Subordinate Bonds shall be issued so long as any Supplemental Bond remains Outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements and betterments and to the System or refunding one or more series of Bonds issued hereunder or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred and fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(A) The Prior Bonds;

B) The Bonds then Outstanding;

(C) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

D) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified

Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such Parity Bonds.

Section 17. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2016 A Bonds issue to the end that the Series 2016 A Bonds may be delivered as provided in the Bond Purchase Agreement.

Section 18. The financing of the project with proceeds of the Series 2016 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 19. The Mayor and City Clerk, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2016 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 20. This Supplemental Resolution shall be effective immediately following adoption hereof.

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the Council of THE CITY OF CHARLESTON on the __ day of _____, 2016.

Dated: _____, 2016.

[SEAL]

_____
City Clerk

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

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

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EXHIBIT A DESCRIPTION OF PROJECT A-1
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Bill No. 7680

Introduced in Council:

February 1, 2016

Introduced by:

Bobby Reishman

Referred to:

Finance Committee

Passed by Council:

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

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

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

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

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

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

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

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

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

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

		Designation Lien Position
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien

11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
12.	$5,160,000 Sewerage System Refunding Revenue Bonds, Series 2002 B, dated December 1, 2002 (the "Series 2002 B Bonds").	First Lien
13.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
14.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
15.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
16.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
17.	$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	First Lien
18.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
19.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
20.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
21.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien

22.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
23.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

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

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

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

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

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

J. All things necessary to make the Series 2016 A Bonds, when authenticated by the Registrar and issued as in this Ordinance and the Supplemental Resolution provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 A Bonds, will be timely done and duly performed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2016 A Bonds and which shall be designated

as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in this Ordinance to the Bond Insurer shall be null and void and have no force and effect.

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

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

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

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

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

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

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

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

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

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

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

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

"Council" or "City Council" means the Council of the City.

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

"DTC" means The Depository Trust Company, New York, New York.

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

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

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

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

"Mayor" means the Mayor of the City.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

"Rebate Fund" means the Rebate Fund created by Section 6.11 hereof.

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

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

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

"Registrar" means the entity named as such in the Supplemental Resolution.

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

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

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

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

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

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

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

"State" means the State of West Virginia.

"Supplemental Ordinance" or "this Ordinance" means this ordinance as hereafter amended or supplemented.

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

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

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

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

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

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

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

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

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

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

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

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

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

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

B. If the Series 2016 A Bonds are sold to an Original Purchaser other than the Authority, then any Series 2016 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2016 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Bonds issued in exchange for Series 2016 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2016 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

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

Section 3.02. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 A Bonds shall cease to be such officer of the City before the Series 2016 A Bonds so signed and sealed have been sold and delivered, such Series 2016 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 A Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Series 2016 A Bonds, shall hold the proper office in the City, although at the date of such Series 2016 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in

the form set forth in the Supplemental Resolution, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2016 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

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

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

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

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 A Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Series 2016 A Bond in exchange and substitution for such mutilated Series 2016 A Bond, upon surrender and cancellation of such mutilated Series 2016 A Bond, or in lieu of and substitution for the Series 2016 A Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the City proof of ownership thereof and satisfactory

indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Series 2016 A Bond. All Series 2016 A Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Series 2016 A Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

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

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

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

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

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

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

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

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

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

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

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

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account for the Series 2016 A Bonds to purchase Term Bonds at a price less than the par value

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

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

Section 3.12. Notice of Redemption. Unless waived by any Registered Owner of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, if any, the Original Purchaser and the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

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

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

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

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

If funds sufficient to redeem all Series 2016 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys are not so deposited, the Registrar shall notify all Registered Owners of such Bonds called for redemption of such fact. Failure to deposit such moneys and redeem the Bonds called for optional redemption shall not constitute an Event of Default under the Ordinance.

Official notice of redemption having been given as aforesaid, the Series 2016 A Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2016 A Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2016 A Bond, there shall be prepared for the Registered Owner a new Series 2016 A Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Series 2016 A Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

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

Section 3.13. Persons Treated as Owners. The City, the Registrar, the Paying Agent and any agent of the City, the Registrar or the Paying Agent may treat the person in whose name any Bond is registered as the Registered Owner of such Series 2016 A Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, whether or not such Series 2016 A Bond is overdue.

Section 3.14. [Reserved]

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

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

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

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

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

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

Section 3.16. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.17. Book Entry System for Series 2016 A Bonds. A. If the Supplemental Resolution provides for registration in the name of CEDE & CO., the following provisions shall apply. The Series 2016 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2016 A Bond or any other evidence of ownership of the Series 2016 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 A Bonds, the City and, if required, the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar

shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 A Bonds shall be made to DTC or its nominee as required by DTC. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 A Bonds so redeemed, but DTC may retain such Series 2016 A Bonds and make an appropriate notation on the Series 2016 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 A Bonds, selecting the Series 2016 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 A Bonds. In either of such events (unless in the case described in clause (i) above, the City appoints a successor securities depository), the Series 2016 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall

cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 A Bonds.

ARTICLE IV

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

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

1. All interest accrued on the Series 2016 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2016 A Bonds Sinking Fund and applied to payment of interest on the Series 2016 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer via wire transfer.

3. An amount of the proceeds of the Series 2016 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 A Bonds Reserve Account; provided, that to the extent the Series 2016 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 A Bonds shall be deposited in the Series 2016 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 A Bonds Reserve Requirement.

4. The amount of Series 2016 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 A Bonds shall be deposited with the Depository Bank in the Series 2016 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2016 A Bonds at the written direction of the City. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 A Bonds, such unapplied proceeds shall be transferred by the City to the Series 2016 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 A Bonds from which such proceeds are derived.

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

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

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

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

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

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

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

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

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

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

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

(2) Simultaneously with the principal payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also

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

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

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

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

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

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

Moneys in the respective Sinking Funds shall be used only for the purposes of paying principal of and interest on the respective series of Bonds as the same shall become due. Moneys in the respective Reserve Accounts shall be used only for the purposes of paying

principal of and interest on the respective series of Bonds as the same shall become due, when other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.

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

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

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

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

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

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

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

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

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

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest

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

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

(A) Qualified Investments acquired for the Series 2016 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

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

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 A Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

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

(E) Notwithstanding the foregoing, all monies deposited in the Series 2016 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia

"consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

ARTICLE V

DEFAULT AND REMEDIES

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

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

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

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

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

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

Section 5.03. Appointment of Receiver. Any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for

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

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

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

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

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

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

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

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

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

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

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

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

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

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

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

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

The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the

Bonds issued pursuant to the Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

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

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

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

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

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

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

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

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

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

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

C. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the terms thereof is, under the terms of such Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

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

E. FEDERAL GUARANTEE PROHIBITION. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

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

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

Section 6.10. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so that such Series 2016 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on the Series 2016 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.11. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Series 2016 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully

available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.11. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.11 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

Section 6.12. Securities Laws Compliance. If required by the Supplemental Resolution the City will provide the Original Purchaser, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Original Purchaser may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240). The City

will also deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as amended from time to time.

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

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2016 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2016 A Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of said Series 2016 A Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2016 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2016 A Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities means and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Section 6.14. Rates and Charges. The City has obtained any and all approvals of rates and charges required by state law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of

the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the City duly enacted on November 16, 2015, which rates are incorporated herein by reference as a part hereof.

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

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

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

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

Section 6.16. Continuing Disclosure Agreement. If required by the Supplemental Resolution, the City shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the City hereby instructs the Mayor and Sanitary Board to take all actions necessary for the City to comply with the continuing disclosure agreement and to make the filings with EMMA.

ARTICLE VII

REGISTRAR

Section 7.01. Appointment of Registrar. The Registrar for the Series 2016 A Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 7.02. Responsibilities of Registrar. The recitals of fact in the Series 2016 A Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 A Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described above.

Section 7.03. Evidence on Which Registrar May Act. Except as otherwise provided herein, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

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

Section 7.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners or effect or aid in any

reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Bonds Outstanding.

Section 7.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City. A copy of such notice shall also be mailed to each Registered Owner. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or the Registered Owners, in which event such resignation shall take effect immediately; provided that, in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.07. Removal. The Registrar may be removed at any time by the City, the Bond Insurer or the Registered Owners of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City, by the Bond Insurer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the City, the Bond Insurer or the Registered Owners, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided that, in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A copy of such notice shall also be mailed to each Registered Owner of the Bonds. Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owners. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 7.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 7.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 7.08 hereof.

Section 7.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2016 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2016 A Bonds in the name of the predecessor Registrar or in its own name.

ARTICLE VIII

MISCELLANEOUS

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

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

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

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

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

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

CERTIFICATE OF TRUTH AND ACCURACY

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

Dated this ___ day of _____, 2016.

_____
City Clerk

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

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

EXHIBIT B

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

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

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

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

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

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

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

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

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

/s/_____
City Clerk of The City of Charleston, West Virginia

Councilman Deneault moved to approve the Bill. Councilman Lane seconded the motion. A roll call was taken.
YEAS: Burka, Burton, Ceperley, Chestnut, Davis, Haas, Harrison, Hoover, Ireland, Lane, Overstreet, Persinger, Reishman, Richardson, Slater, Smith, Steele, Talkington, Ware, Mayor Jones
NAYS: NONE
ABSENT: Clowser, Ealy, Faegre, Miller, Minardi, Salisbury, Snodgrass
With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 7680 adopted.

NUMBER AR-1

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-1 $365,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	July 1, 2017	September 22, 2016	160609 JY0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SIXTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said

Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No.

NUMBER SPECIMEN

7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September 6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17. $283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS"). SECOND LIEN

18. $123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS"). SECOND LIEN

19. $132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS"). SECOND LIEN

20. $30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS"). SECOND LIEN

21. $1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS"). SECOND LIEN

22. $334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS"). SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

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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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

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IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

SPECIMEN

ATTEST:

SPECIMEN

City Clerk

NUMBER

AR-1

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

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SPECIMEN

Form of

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

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Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-2 $525,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	July 1, 2018	September 22, 2016	160609 JZ7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED TWENTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No.

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(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

SPECIMEN

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5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
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21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

SPECIMEN

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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-2

SPECIMEN

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

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SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-3 $535,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	July 1, 2019	September 22, 2016	160609 KA0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED THIRTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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SPECIMEN

Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No.

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7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September 6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

SPECIMEN

If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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SPECIMEN

17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER
AR-3

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

AR-3

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-3

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

NUMBER AR-4

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-4 $545,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	July 1, 2020	September 22, 2016	160609 KB8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED FORTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER AR-4

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-5 $560,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	July 1, 2021	September 22, 2016	160609 KC6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

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6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

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18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER
AR-5

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

AR-5

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-5

SPECIMEN

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

NUMBER AR-6

SPECIMEN



Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-6 $570,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
1.550%	July 1, 2022	September 22, 2016	160609 KD4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED SEVENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

NUMBER

SPECIMEN

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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SPECIMEN

6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

SPECIMEN

17. $283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS"). SECOND LIEN

18. $123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS"). SECOND LIEN

19. $132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS"). SECOND LIEN

20. $30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS"). SECOND LIEN

21. $1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS"). SECOND LIEN

22. $334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS"). SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

NUMBER SPECIMEN

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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER
AR-6

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

AR-6

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-6

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20__.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

NUMBER

AR-7



Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-7

$580,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
1.700%	July 1, 2023	September 22, 2016	160609 KE2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED EIGHTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

NUMBER AR-7

SPECIMEN

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

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6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

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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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

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Mayor

ATTEST:

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City Clerk

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By _____
Its Authorized Officer

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(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

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Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-8 $590,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
1.800%	July 1, 2024	September 22, 2016	160609 KF9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED NINETY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

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(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

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1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER
AR-8

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN
Mayor

ATTEST:

SPECIMEN
City Clerk

NUMBER

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By: SPECIMEN
Its Authorized Officer

NUMBER

AR-8

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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



Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-9 $600,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.000%	July 1, 2025	September 22, 2016	160609 KG7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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SPECIMEN

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

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6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

SPECIMEN

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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER

AR-9

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

AR-9

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-9

SPECIMEN

Form of

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

NUMBER AR-10

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-10 $615,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.500%	July 1, 2026	September 22, 2016	160609 KH5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

NUMBER R-1 SPECIMEN

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

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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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER

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IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]



Mayor

ATTEST:



City Clerk

NUMBER

AR-10

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

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(Form of)

SPECIMEN

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

NUMBER

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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-11 $640,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2027	September 22, 2016	160609 KJ1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

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18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

NUMBER SPECIMEN

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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

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IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-11

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

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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-12 $665,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2028	September 22, 2016	160609 KK8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED SIXTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

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6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

SPECIMEN

By _____
Its Authorized Officer

SPECIMEN

NUMBER

AR-12

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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



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-13 $690,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2029	September 22, 2016	160609 KL6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED NINETY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

NUMBER AR

SPECIMEN

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

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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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

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Mayor

ATTEST:

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City Clerk

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

SPECIMEN

By _____
Its Authorized Officer

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(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

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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-14 $720,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2030	September 22, 2016	160609 KM4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

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6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

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(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036	
Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

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18. $123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS"). SECOND LIEN

19. $132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS"). SECOND LIEN

20. $30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS"). SECOND LIEN

21. $1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS"). SECOND LIEN

22. $334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS"). SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

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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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

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AR-14

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER
AR-14

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER AR-14

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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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-15 $745,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2031	September 22, 2016	160609 KN2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED FORTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said

Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No.

7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September 6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

SPECIMEN

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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER
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IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

AR-15

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-15

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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



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-16 $775,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2032	September 22, 2016	160609 KP7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED SEVENTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

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Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No.

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7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September 6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

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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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

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IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

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Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

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CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

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(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

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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-17 $810,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2033	September 22, 2016	160609 KQ5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

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(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

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If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

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18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

SPECIMEN

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 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

NUMBER AR-17

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IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

AR-17

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-17

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

NUMBER AR-18

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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-18 $840,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2034	September 22, 2016	160609 KR3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (West Virginia), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, 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

SPECIMEN

Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this 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 January 1 and July 1, in each year, beginning January 1, 2017 (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 Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 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 Issuer 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 $13,145,000 designated "The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)" (the "Series 2016 A Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated September 22, 2016, the proceeds of which are to be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system of the Issuer (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs. The Series 2016 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), Ordinance No. 4423 passed by the City on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the City on November 6, 1989, Ordinance No.4954 passed by the City on May 3, 1993, Ordinance No. 6276 passed by the City on September 3, 1996, Ordinance No. 6349 passed by the City on June 2, 1997, Ordinance No. 6532 passed by the City on November 16, 1998, Ordinance No. 6544 passed by the City on February 1, 1999, Ordinance No. 6670 passed by the City on February 5, 2001,Ordinance No. 6777 passed by the City on March 19, 2001, Ordinance No. 6948 passed by the City on November 4, 2002, Ordinance No. 6977 passed by the City on May 19, 2003, Ordinance No. 7132 passed by the City on March 7, 2005, Ordinance No. 7490 passed by the City on September

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6, 2011, Ordinance No. 7560 passed by the City on February 19, 2013, Ordinance No. 7680 passed on February 16, 2016, effective August 1, 2016, a Supplemental Resolution adopted by the Issuer on August 1, 2016, and a Certificate of Determinations dated September 13, 2016 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2016 A Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2016 A Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Charleston, West Virginia.

The Series 2016 A 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 Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

In the event of any redemption of less than all outstanding Series 2016 A Bonds, Series 2016 A Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Date.

(B) Mandatory Sinking Fund Redemption. The Series 2016 A Bonds maturing on July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Series 2016 A Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	$900,000

*Final maturity.

If less than all the Series 2016 A Bonds are to be redeemed, the Series 2016 A Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of redemption of this Series 2016 A 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. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds; and failure to mail such notice shall not affect the validity of proceedings for the redemption of the Bond. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor have been deposited, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue. The Issuer may issue a notice of redemption which is conditioned on, and subject to, the occurrence of specific events, such as the issuance of Additional Parity Bonds (as defined in the Ordinance) to refund the Series 2016 A Bonds. In the event a notice of redemption is issued and the redemption does not occur due the failure to meet or satisfy such condition, no holder of any Series 2016 A Bonds shall have any claim against the Issuer.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

1.	$1,912,194 SEWER REVENUE BONDS, SERIES 1989 A, DATED MARCH 21, 1989 (THE "SERIES 1989 A BONDS").	FIRST LIEN
2.	$829,856 SEWER REVENUE BONDS, SERIES 1989 C, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 C BONDS").	FIRST LIEN
3.	$773,237 SEWERAGE SYSTEM REVENUE BONDS, 1993 SERIES A, DATED DECEMBER 2, 1993 (THE "SERIES 1993 A BONDS").	FIRST LIEN
4.	$2,671,058 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A, DATED OCTOBER 9, 1996 (THE "SERIES 1996 A BONDS").	FIRST LIEN
5.	$395,299 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B, DATED NOVEMBER 26, 1996 (THE "SERIES 1996 B BONDS").	FIRST LIEN

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6.	$732,688 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A, DATED JULY 22, 1997 (THE "SERIES 1997 A BONDS").	FIRST LIEN
7.	$5,237,584 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 B, DATED OCTOBER 7, 1997 (THE "SERIES 1997 B BONDS").	FIRST LIEN
8.	$994,537 SEWERAGE SYSTEM REVENUE BONDS, 1998 SERIES A, DATED DECEMBER 10, 1998 (THE "SERIES 1998 A BONDS").	FIRST LIEN
9.	$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A, DATED JUNE 22, 1999 (THE "SERIES 1999 A BONDS").	FIRST LIEN
10.	$1,111,357 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2001 A, DATED FEBRUARY 22, 2001 (THE "SERIES 2001 A BONDS").	FIRST LIEN
11.	$823,741 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES B, DATED MAY 22, 2001 (THE "SERIES 2001 B BONDS").	FIRST LIEN
12.	$9,835,120 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A, DATED MARCH 23, 2004 (THE "SERIES 2004 A BONDS").	FIRST LIEN
13.	$36,617,310 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED MAY 5, 2005 (THE "SERIES 2005 A BONDS").	FIRST LIEN
14.	$9,000,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2008 A, DATED JUNE 26, 2008 (THE "SERIES 2008 A BONDS").	FIRST LIEN
15.	$25,877,009 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, DATED DECEMBER 13, 2011 (THE "SERIES 2011 A BONDS").	FIRST LIEN
16.	$11,613,300 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A, DATED MARCH 27, 2013 (THE "SERIES 2013 A BONDS").	FIRST LIEN

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17.	$283,458 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 B, DATED MARCH 21, 1989 (THE "SERIES 1989 B BONDS").	SECOND LIEN
18.	$123,015 SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1989 D, DATED NOVEMBER 21, 1989 (THE "SERIES 1989 D BONDS").	SECOND LIEN
19.	$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B, DATED JUNE 22, 1999 (THE "SERIES 1999 B BONDS").	SECOND LIEN
20.	$30,492 SEWERAGE SYSTEM REVENUE BONDS, 2001 SERIES C, DATED MAY 22, 2001 (THE "SERIES 2001 C BONDS").	SECOND LIEN
21.	$1,822,690 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-1, DATED MAY 5, 2005 (THE "SERIES 2005 B-1 BONDS").	SECOND LIEN
22.	$334,771 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 B-2, DATED MAY 5, 2005 (THE "SERIES 2005 B-2 BONDS").	SECOND LIEN

THE SERIES 1989 A BONDS, THE SERIES 1989 C BONDS, THE SERIES 1993 A BONDS, THE SERIES 1996 A BONDS, THE SERIES 1996 B BONDS, THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 1998 A BONDS, THE SERIES 1999 A BONDS, THE SERIES 2001 A BONDS, THE SERIES 2001 B BONDS, THE SERIES 2004 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2008 A BONDS, THE SERIES 2011 A BONDS AND THE SERIES 2013 A BONDS ARE COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS." THE SERIES 1989 B BONDS, THE SERIES 1989 D BONDS, THE SERIES 1999 B BONDS, THE SERIES 2001 C BONDS, THE SERIES 2005 B-1 BONDS AND THE SERIES 2005 B-2 BONDS ARE COLLECTIVELY REFERRED TO AS THE "SECOND LIEN BONDS," WHICH ARE SUBORDINATE AND JUNIOR TO THE FIRST LIEN BONDS AND THE BONDS. THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2016 A 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 First Lien Bonds and from moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Series 2016 A 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 Series 2016 A Bond does not constitute an indebtedness of the Issuer within any constitutional or

statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account and unexpended proceeds of the Series 2016 A 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 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 First Lien Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2016 A Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Series 2016 A 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 shall be applied solely to pay costs of the Project, fund a reserve account for the Series 2016 A Bonds with the Reserve Policy and pay 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 Series 2016 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2016 A Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2016 A Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the 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 Series 2016 A Bonds of which this Series 2016 A Bonds is one.

This Series 2016 A Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Series 2016 A 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 Series 2016 A Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Series 2016 A Bond is issued, shall be deemed to be a part of the contract evidenced by this Series 2016 A Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Series 2016 A Bond to be signed by its Mayor and, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Series 2016 A Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER
AR-18

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2016 A Bond is one of the fully registered Series 2016 A Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2016 A Bonds.

Dated: September 22, 2016.

UNITED BANK, INC.
as Registrar

By SPECIMEN
Its Authorized Officer

NUMBER

AR-18

SPECIMEN

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, 20___.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

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

WEST VIRGINIA
Water Development Authority
Celebrating 42 Years of Service 1974 - 2016

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of Balestra, Harr & Scherer, CPA's Inc., certified public accountants and Jackson Kelly PLLC, bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Bonds"), in the original principal amount of $13,145,000, by The City of Charleston (the "Issuer"), under the terms of the Bond Ordinance authorizing the Bonds, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1989 A, Sewer Revenue Bonds, Series 1989 C, Sewerage System Revenue Bonds, 1993 Series A, Sewerage System Revenue Bonds, Series 1996 A, Sewerage System Revenue Bonds, Series 1996 B, Sewerage System Revenue Bonds, Series 1997 A, Sewerage System Revenue Bonds, Series 1997 B, Sewerage System Revenue Bonds, 1998 Series A, Sewerage System Revenue Bonds, 1999 Series A, Sewerage System Revenue Bonds, Series 2001 A, Sewerage System Revenue Bonds, 2001 Series B, Sewerage System Revenue Bonds, Series 2004 A, Sewerage System Revenue Bonds, Series 2005 A, Sewerage System Revenue Bonds, Series 2008 A, Sewerage System Revenue Bonds, Series 2011 A, and Sewerage System Revenue Bonds, Series 2013 A, and senior and prior with respect to liens, pledge and source of and security for payment to the Issuer's Supplemental Sewer Revenue Bonds, Series 1989 B, Supplemental Sewer Revenue Bonds, Series 1989 D, Sewerage System Revenue Bonds, 1999 Series B, Sewerage System Revenue Bonds, 2001 Series C, and Sewerage System Revenue Bonds, Series 2005 B-1 and Sewerage System Revenue Bonds, Series 2005 B-2 (collectively, the "Prior Bonds").

WITNESS my signature on this 22nd day of September, 2016.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Sheila A. Miller

Authorized Representative

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304) 414-0865
www.wvwda.org

$13,145,000
THE CITY OF CHARLESTON, WEST VIRGINIA
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2016 A (TAX-EXEMPT)

BOND PURCHASE AGREEMENT

September 13, 2016

The City of Charleston
City Hall, 2nd Floor
Charleston, WV 25301

Ladies and Gentlemen:

Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Underwriter") hereby offer to enter into this Bond Purchase Agreement with The City of Charleston, West Virginia (the "Issuer") for the sale by the Issuer and the purchase by the Underwriter of the Issuer's Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) in the aggregate principal amount of $13,145,000 (the "Bonds") described herein and in the Official Statement (defined herein), which are being issued by the Issuer. Upon your acceptance of this offer and your execution and delivery of this Bond Purchase Agreement (hereinafter referred to as the "Bond Purchase Agreement"), this Bond Purchase Agreement will be binding upon you and the Underwriter. This offer is made subject to your acceptance, evidenced by your execution and delivery of this Bond Purchase Agreement to the Underwriter, at or prior to 11:30 p.m., New York, New York time, on the date hereof, and will expire if not so accepted at or prior to such time (or such later time as the Underwriter may agree to in writing).

1. Definitions. The capitalized terms used in this Bond Purchase Agreement shall have the meanings assigned to them herein or, if not defined herein, shall have the meanings set forth in the Bond Supplemental Ordinance duly passed by the Issuer on February 16, 2016, and effective August 1, 2016 (the "Original Ordinance"), as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 1, 2016, pursuant to the Original Ordinance (the "Supplemental Resolution"), and a Certificate of Determination executed by the Mayor of the Issuer on September 13, 2016 (the "Certificate of Determination", and together with the Supplemental Resolution and the Original Ordinance, collectively, the "Ordinance"). This Bond Purchase Agreement, the Official Statement, the Preliminary Official Statement and the Tax Regulatory Agreement are sometimes herein referred to as the "Bond Documents."

2. Closing. Delivery and acceptance of the Bonds and payment therefor (the "Closing") will take place in Charleston, West Virginia, at the offices of Jackson Kelly PLLC, Laidley Tower, 16th Floor, on September 22, 2016 (the "Closing Date") by 1:00 p.m. or at such other place or time as may be mutually agreed upon by you and the Underwriter. The Bonds will be available in definitive form at the offices of The Depository Trust Company (or the Registrar, if "DTC-Fast" delivery is used) not less than twenty-four hours prior to the Closing Date.

3. Purchase and Sale.

3.1 Subject to the terms and conditions set forth in this Bond Purchase Agreement, and upon the basis of the representations hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter when, as and if issued, all (but not less than all) of the Bonds identified in Exhibit A attached hereto, at an aggregate purchase price of $14,074,180.50 ($13,145,000.00, minus Underwriter's discount of $64,410.50, plus original issue premium of $993,591.00) (the "Net Purchase Price").

3.2 The Bonds will (i) be issued pursuant to the Ordinance, and (ii) have the payment related terms (that is, dated dates, principal or issuance amounts, maturity dates, interest rates and yield to maturity) set forth in Exhibit A attached hereto, and will otherwise correspond to the description thereof contained in the Official Statement referred to in Section 3.3.

3.3 By 3:00 Eastern Time on September 20, 2016, the Issuer shall deliver to the Underwriter a reasonable number of copies of a final Official Statement of the Issuer of even date herewith, executed by the Issuer (the "Official Statement"). The Official Statement shall be in substantially the same form as that of the Preliminary Official Statement of the Issuer dated September 13, 2016 (the "Preliminary Official Statement"), previously distributed with respect to the Bonds.

4. Concurrent Matters.

4.1 Your acceptance, execution and delivery of this Bond Purchase Agreement will constitute your acknowledgment that the Underwriter (a) proposes to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement (which such initial offering prices or yields may be changed by the Underwriter, in its sole discretion), (b) may effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and may discontinue such stabilizing, if commenced, at any time and (c) may change the offering prices of the Bonds from time to time and may offer the Bonds to certain dealers and others at prices lower than the public offering prices shown on the front cover (or inside front cover) of the Official Statement.

4.2 Your acceptance, execution and delivery of this Bond Purchase Agreement will constitute (i) your consent and authorization to the use by the Underwriter, in connection with the public offering and sale of the Bonds, of copies of the Official Statement and the information, contained therein, and (ii) your ratification of the use by the Underwriter, in connection with such offering and sale, of the Preliminary Official Statement and the information contained therein.

5. Representations and Warranties.

5.1 The Issuer hereby makes the following representations and warranties to the Underwriter:

(a) The Issuer is a municipal corporation and political subdivision of the State of West Virginia and authorized to issue the Bonds pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act").

(b) On February 16, 2016, the Issuer duly passed the Original Ordinance, effective August 1, 2016, and since that time the Original Ordinance has been supplemented by a Supplemental Resolution adopted by the Issuer on August 1, 2016, pursuant to the Original Ordinance.

(c) When delivered to the Underwriter against payment therefor in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated, issued and delivered.

(d) The execution and delivery by the Issuer of the Bond Documents and the consummation by the Issuer of the transactions contemplated thereby are not prohibited by, do not violate any provision of, and will not result in the breach of or default under the Act, or, to its knowledge, any applicable law, rule, regulation, judgment, decree, order or other requirement, or any material contract, indenture, agreement or commitment to which the Issuer is a party or by which it is bound.

(e) The Issuer is not in breach of or in default under any existing law, court or administrative regulation, judgment, decree, order, agreement, mortgage, lease, loan agreement or other instrument to which it is a party or by which it is bound. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Bond Documents or any other agreement or instrument to which the Issuer is a party, or by which it may be bound or to which any of its property is or may be subject.

(f) The Issuer has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement and in the Ordinance and the approval of the Official Statement, the Ordinance and the Bonds, and (ii) the execution, delivery and receipt of the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated in the Bond Documents.

(g) The information contained in the Preliminary Official Statement and the Official Statement relating to the Issuer and its properties, operations and financial and other affairs, including Appendices A and B, and the replacement and rehabilitation of existing sewers in the areas of Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances, and any further extensions, additions, betterments and improvements to the remaining portion of the existing sewerage system (the "Project") being financed with proceeds of the Bonds, is true and correct in all respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(h) Except as may be described in the Preliminary Official Statement and the Official

Statement, there is no legal action, or other proceeding, or any investigation or inquiry (before or by any court, agency, arbitrator or other entity or person) pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or any of its officials, in their respective capacities as such, which would restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Revenues pledged under the Ordinance or in any way would contest or affect the organization or existence of the Issuer or the entitlement of any officials of the Issuer to their respective offices or which may reasonably be expected to have a material and adverse effect upon (A) the due performance by the Issuer of the transactions contemplated by the Bond Documents, (B) the validity or enforceability of the Bonds, the Ordinance, the Bond Documents, or any other agreement or instrument to which the Issuer is a party and that is used or contemplated for use in consummation of the transactions contemplated hereby and thereby or (C) the exclusion of the interest on the Bonds from gross income for federal income tax purposes and the exemption from State income taxation of the Bonds and interest thereon as set forth in the Official Statement. The Issuer is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that may reasonably be expected to have such an effect.

(i) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is an issuer whose arbitrage certifications may not be relied upon.

(j) The Bond Documents, when executed and delivered, by the Issuer, will be, and this Bond Purchase Agreement constitutes, legal, valid and binding obligations of the Issuer, enforceable in accordance with their terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and as to the availability of equitable remedies.

(k) When the Bonds are issued, sold and delivered to the Underwriter, the representations and certifications of the Issuer herein and in the other Bond Documents will be true, accurate and complete.

(l) The audited financial statements and other financial information of the Issuer and the Charleston Sanitary Board (the "Sanitary Board") for the year ended June 30, 2015, contained in the Preliminary Official Statement and the Official Statement as Appendix B, present fairly the financial position of the Issuer at the date indicated and the results of operations for the period specified, and such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved, except as otherwise stated in the notes thereto.

(m) Since June 30, 2015, there has been no material adverse change in the financial position or results of operations of the Issuer or the Sanitary Board, nor has the Issuer, on behalf of the Sanitary Board, incurred any material liabilities except as set forth in the Preliminary Official Statement and the Official Statement or disclosed to the Underwriter in writing.

(n) The Issuer deems the Preliminary Official Statement to be final as of its date in accordance with subsection (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as

amended (the "Exchange Act"). The Issuer deems the Official Statement to be final and complete as of its date for purposes of subsection (b)(3) of such Rule.

(o) At or prior to the Closing Date, the Issuer shall have duly authorized, executed and delivered a written continuing disclosure undertaking (an "Undertaking") which complies with the provisions of Rule 15c2-12(b)(5) and which shall be substantially in the form described in the Preliminary Official Statement.

(p) Except as described in the Official Statement and Preliminary Official Statement, the Issuer is in compliance with any Undertaking obligation heretofore delivered by the Issuer in connection with the issuance of any Prior Bonds.

6. Covenants.

6.1 The Issuer hereby makes the following covenants with the Underwriter:

(a) The Issuer will not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter.

(b) Prior to the Closing Date, the Issuer will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of, the Ordinance or the Bond Documents without the prior written consent of the Underwriter.

(c) Prior to the Closing Date, the Issuer will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interests which will be pledged pursuant to the Ordinance or the Bond Documents.

(d) The Issuer will promptly advise the Underwriter of any matter arising or occurring or discovered before Closing or within 90 days after the end of the underwriting period for the Bonds (within the meaning of Rule 15c2-12 under the Exchange Act) that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of a material fact contained in the Official Statement.

(e) If as the result of any matters described in paragraph (d) of this Section it becomes necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement to make the statements contained therein, in light of the circumstances under which they were made, not misleading, the Issuer will, upon notice thereof, promptly prepare and furnish to the Underwriter (at the expense of the Issuer) a reasonable number of copies of an amendment of, or a supplement to, the Official Statement (in form and substance satisfactory to the Underwriter) so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) Except as disclosed in the Official Statement, prior to the Closing Date, the Issuer will

obtain or cause to be obtained all governmental consents, approvals, orders or authorizations (other than state securities law clearances) of any governmental authority or agency that would constitute a condition precedent to the performance by Issuer of its obligations under the Ordinance, the Bond Documents or the Bonds.

(g) The Issuer will not voluntarily undertake any course of action inconsistent with the satisfaction of the requirements applicable to it as set forth in the Bond Documents.

(h) The Issuer will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter might designate, the cost of which will be borne by the Underwriter, as provided in Section 10.2(iii) below.

(i) The Issuer will not, except as required by law, take or omit to take any action which, under existing law, adversely affects the exemption from federal income taxation of the interest on the Bonds, or adversely affects the West Virginia State tax exemptions with respect to the Bonds and the interest thereon, as set forth in the Official Statement.

(j) The Issuer agrees to comply with all provisions of the Continuing Disclosure Agreement.

(k) The Issuer acknowledges that the Underwriter is not a fiduciary to the Issuer, is a separate principal to this transaction and owes no fiduciary duty to the Issuer.

7. Conditions of Closing.

7.1 The obligations of the Underwriter to consummate the transactions contemplated hereby are subject to receipt by the Underwriter of the items described in Section 7.2 hereof and to the satisfaction (unless waived by the Underwriter in its sole discretion) of the following conditions:

(a) The representations and warranties made by the Issuer in this Bond Purchase Agreement shall be true and correct as of the Closing Date as if made on such date.

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Bond Purchase Agreement to be performed or complied with prior to closing.

(c) The Bond Documents each shall have been executed and delivered by each of the parties thereto, shall be in full force and effect on and as of the Closing Date and shall not have been amended, modified or supplemented prior to the Closing Date except as may have been agreed to in writing by the Underwriter.

(d) The proceeds of the sale of the Bonds shall be applied as described in the Official Statement.

7.2 In addition to the conditions set forth in Section 7.1, the obligations of the Underwriter

to consummate the transactions on the Closing Date contemplated hereby are subject to receipt by the Underwriter of the following items:

(a) An approving opinion of Jackson Kelly PLLC, Bond Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date with respect to the validity and tax-exempt nature of the Bonds, and a supplemental opinion of Bond Counsel, dated the date of Closing, addressed to the Underwriter, to the effect that: (i) this Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer, (ii) the Official Statement has been duly approved, signed and delivered by the Issuer, (iii) assuming due authorization, execution and delivery by the other parties thereto, the Bond Documents have been duly authorized, executed, acknowledged and delivered by the Issuer, and are legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms (except as enforcement of remedies may be limited by bankruptcy, insolvency or other laws and equitable principles affecting the right of creditors), (iv) the statements contained in the Official Statement under the captions "Introduction," "The Series 2016 Bonds," "Security for the Series 2016 Bonds," "Tax Matters," "Appendix D - Form of Opinion of Bond Counsel" and "Appendix F - Form of Ordinance," do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, and (v) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(b) An opinion, dated the Closing Date and addressed to the Underwriter, of Paul Ellis, City Attorney for the Issuer, to the effect that (1) the Issuer is a political subdivision and municipal corporation of the State of West Virginia, (2) the Issuer has complied with all requirements of the Act and State Law that must be satisfied in connection with the issuance of the Bonds, (3) the Issuer has all power and authority to create the Sanitary Board, (4) no litigation is pending, or to his knowledge threatened, in any court in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of Revenues of the Sanitary Board pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or this Purchase Agreement, or contesting the powers of the Issuer with respect to the Bonds, the Ordinance or this Purchase Agreement or any transaction described in or contemplated by the Official Statement, (5) that the Official Statement, as amended or supplemented to the Closing Date (except as aforesaid), contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the Issuer, in light of the circumstances under which they were made, not misleading, and (6) the statements contained in the Official Statement under the captions "Financing Plan," "Absence of Material Litigation," and "Continuing Disclosure", insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Ordinance, are accurate and present a fair summary of the matters referred to therein.

(c) An opinion of Goodwin & Goodwin, LLP, Counsel to the Underwriter, in form and substance satisfactory to the Underwriter.

(d) An opinion, dated the Closing Date and addressed to the Underwriter, of Spilman Thomas & Battle, PLLC, Counsel to the Sanitary Board, to the effect that (1) the Sanitary Board has been legally constituted and has all power and authority to manage and conduct the Sanitary Board's operations, (2) the Issuer has the power and authorization to set and enforce sewer rates and charges and the rates and charges enacted by the Issuer on November 16, 2015, are in full force and effect and are not subject to appeal, (3) no litigation is pending, or to their knowledge, threatened in any court in any way affecting the existence of the Sanitary Board or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the collection of Revenues of the Sanitary Board pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or this Purchase Agreement, or contesting the powers of the Sanitary Board with respect to this Purchase Agreement or any transaction described in or contemplated by the Official Statement, (4) all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that comply with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code; and that all successful bidders have made required provisions for all insurance and payment and performance bonds; the surety bonds and certificates of insurance coverage in connection with the Project and verified that such surety bonds and certificates (a) are in compliance with the contracts; (b) are adequate in form, substance and amount to protect the various interests of the Issuer; (c) have been executed by duly authorized representatives of the proper parties; (d) meet the requirements of the Act and the Ordinance; and (e) all such documents constitute or reference valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof, (5) the Official Statement contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the Sanitary Board or the System, in light of the circumstances under which they were made, not misleading, and (6) the statements contained in the Official Statement under the captions "Financing Plan," "The System," "Absence of Material Litigation," and "Appendix B—The System," insofar as such statements contained under such captions purport to summarize certain matters set forth therein, are accurate and present a fair summary of the matters referred to therein.

(e) A certificate of the Issuer, dated the Closing Date, signed by the Mayor of the Issuer to the effect that (i) the representations and warranties made by the Issuer in this Bond Purchase Agreement are true and correct as of the Closing Date with the same effect as if made on the Closing Date; (ii) the Issuer has performed and complied with all agreements and conditions required by this Bond Purchase Agreement to be performed or complied with by it at or prior to the Closing Date; (iii) since the respective dates as of which information is given in the Official Statement, and except as set forth therein, there has not been any material or adverse change in the Issuer's condition, financial or otherwise; (iv) the Official Statement, insofar as it relates to the Issuer, does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (v) that subsequent to June 30, 2014, the date of the Issuer's most recent audited financial statements included as Appendix B of the Official Statement, there has been no material adverse change in the financial position or results of operations of the Issuer; (vi) that no litigation is pending or, to the knowledge of the Issuer, threatened against the Issuer or its officials (A) to restrain or enjoin issuance or delivery of any of

the Bonds or the collection of Revenues pledged under the Ordinance, (B) in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds, or the Bond Documents, (C) in any way contesting or affecting the existence or powers of the Issuer or its ability to perform its obligations under the Bond Documents, or (D) that may materially adversely affect the financial condition or operations of the Issuer; (vii) that the Issuer has satisfied all conditions pertaining to the issuance of the Bonds pursuant to the Ordinance and all other applicable provisions; and (viii) that no event affecting the Issuer or the transactions contemplated by the Official Statement or the Bond Documents has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used, or which it is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading.

(f) A Certificate dated as of the Closing Date signed by the authorized officials of the Issuer, sufficient in form and substance to show to the satisfaction of Bond Counsel and the Underwriter that the Bonds will not be arbitrage bonds under Section 148 of the Code and the regulations thereunder, which certificate shall conform to the requirements of said regulations.

(g) A certified copy of the Ordinance authorizing the execution and delivery by the Issuer of the Bond Documents, certified by its City Clerk.

(h) One executed original of each of the Bond Documents.

(i) The executed IRS Form 8038-G to be filed with the Internal Revenue Service.

(j) Evidence that the Sanitary Board has received bids for the construction of the Project consistent with the Financing Plan.

(k) A certificate from an independent certified public accountant, stating that the Issuer has Net Revenues sufficient to meet the coverage and parity requirements of the Ordinance and the Prior Ordinances.

(l) A consent from the holders of the Prior Bonds, if required, to the issuance of the Bonds on a parity with the Prior Bonds.

(m) Evidence of the issuance of a municipal bond debt service reserve policy for the Series 2016 A Bonds Reserve Account from Build America Mutual Assurance Company ("BAM").

(n) Evidence of "AA-" rating from Standard & Poor's Corporation.

(o) Duly authorized and executed copies of the Undertaking, in substantially the form attached as Appendix E to the Official Statement, which complies with the provisions of Rule 15c2-12(b)(5) in form and substance satisfactory to the Underwriter and evidence that the Issuer has adopted post issuance continuing disclosure procedures.

(p) A certificate of the Issuer executed by authorized officers thereof, dated the Closing Date and in form and substance satisfactory to the Underwriter and counsel to the Underwriter, to the effect that the Issuer is obligated by such Undertaking and except as provided in the Official Statement is in full compliance with all of the Issuer's prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5).

(q) A title opinion of Spilman Thomas & Battle, PLLC, dated the Closing Date and addressed to the Issuer, the Sanitary Board and the Underwriter, to the effect that all land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the System have been acquired by the Sanitary Board and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes.

(r) A certificate of Burgess & Niple, Inc., the Consulting Engineers 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 Sanitary Board, the Project is adequate for the purposes for which it was designed, the proceeds of the Bonds are 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.

(s) Such additional legal opinions, certificates and other documents as the Underwriter or Bond Counsel reasonably may deem necessary to evidence the truth and accuracy as of the Closing Date of the representations and warranties of the Issuer herein contained and of the Official Statement, and to evidence compliance by the Issuer with this Bond Purchase Agreement and all applicable legal requirements, and the due performance and satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by either of them.

7.3 If any of the conditions set forth in Section 7.1 or 7.2 has not been met on the Closing Date, the Underwriter may, in its sole discretion, terminate this Bond Purchase Agreement or proceed to Closing upon waiving any rights under this Bond Purchase Agreement with respect to any such condition. If this Bond Purchase Agreement is terminated pursuant to this Section, neither party will have any rights or obligations to the other, except as provided in Sections 10 and 11 herein.

8. Actions and Events at the Closing. The following events will take place at closing:

(a) The Issuer will direct the Registrar to authenticate and deliver the Bonds to the Underwriter at the place established pursuant to Section 2 herein. Each of the Bonds so delivered will be in definitive form or, with the consent of the Underwriter, in temporary form, duly executed on behalf of the Issuer, in denominations or maturity amounts of five thousand dollars ($5,000) or any integral multiple thereof, and will be fully registered in such names and amounts as the Underwriter will request at least twenty-four (24) hours prior to the Closing Date for inspection. In the event the Bonds are delivered in temporary form, the Issuer shall deliver the Bonds in definitive form on such date as the Underwriter may reasonably require.

(b) The Issuer will deliver or cause to be delivered at Closing to the Underwriter the

documents described in Section 7.2 hereof.

(c) The Underwriter will deliver to the Depository Bank, for the account of the Issuer, immediately available funds in an amount equal to the Net Purchase Price.

9. Termination of Bond Purchase Agreement. The Underwriter may terminate this Bond Purchase Agreement without liability therefor (except as provided under Section 10) by noticing the Issuer at any time at or prior to the Closing if:

(a) Any legislation is introduced in, or enacted by, the United States Congress, or shall have been reported out of committee, or any decision is rendered by any court of competent jurisdiction or any ruling or regulation, temporary regulation, release or announcement shall have been issued or proposed by the Treasury Department of the United States, the Internal Revenue Service, or any other agency of the government of the United States that, in the reasonable opinion of the Underwriter, has the purpose or effect of subjecting interest on the Bonds to inclusion in gross income for federal income tax purposes or has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(b) Any legislation, ordinance, rule or regulation is introduced in, or enacted by, any governmental body, department or agency of the State of West Virginia, or shall have been reported out of committee, or a decision by any court of competent jurisdiction within the State of West Virginia is rendered, that, in the reasonable opinion of the Underwriter, has the purpose or effect of subjecting the Bonds or the interest thereon to West Virginia State income taxation or otherwise has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(c) Any other action or event shall exist or have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal or West Virginia income tax consequences of the transactions contemplated by the Official Statement, and in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale at the contemplated offering prices by the Underwriter of the Bonds;

(d) Any fact exists or any event occurs that, in the reasonable opinion of the Underwriter, makes untrue or incorrect in any material respect any statement or information in the Official Statement or causes the Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading for the purposes for which the Official Statement is to be used;

(e) Any amendment of or supplement to the Official Statement is distributed (whether or not such amendment or supplement was approved by the Underwriter prior to its distribution) which, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(f) There shall have occurred any outbreak, continuation or resumption of hostilities, whether declared or undeclared, or other national or international calamity or crisis, which, in the

reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(g) Any legislation is introduced in, or enacted by the United States Congress, or any action is taken by, or on behalf of, the Securities and Exchange Commission, that in the opinion of the Underwriter has the effect of requiring (i) the registration of a security under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended, in connection with the offering and sale of the Bonds or (ii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Bond Purchase Agreement, the Official Statement, or the other Bond Documents, which cannot, without undue expense, be obtained prior to the Closing Date;

(h) There shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium is declared by the United States or by the State of West Virginia authorities, that, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices; or

(i) Any fact exists or any event occurs that is not disclosed in the Preliminary Official Statement, which after disclosure in the Official Statement affects the ability of the Underwriter to sell the Bonds at the contemplated offering prices.

10. Expenses.

10.1 The Issuer will pay or cause to be paid from proceeds of the Bonds or otherwise (i) fees and expenses of bond counsel, counsel to the Issuer, counsel to the Sanitary Board, Underwriter's counsel, BAM to provide the debt service reserve insurance policy, Standard & Poor's Corporation to provide the rating; (ii) initial fees of the Registrar and Paying Agent; (iii) the fee for obtaining "CUSIP Numbers" for the Bonds; (iv) initial fees relating to The Depository Trust Company; and (v) any other costs and expenses of the issue not set forth in Section 10.2 below.

10.2 The Underwriter will pay (i) sales commissions associated with marketing the Bonds; (ii) costs of qualification of the Bonds for sale under the securities or "Blue Sky" laws of various jurisdictions; and (iii) costs and expenses incurred by the Underwriter in connection with the preparation, offering and distribution of the Bonds, including but not limited to advertising, local and long distance telephone, and travel expenses, as well as management fees in connection with such offering.

10.3 In the event that the Issuer or the Underwriter shall have temporarily paid obligations of the other as set forth in this Section, appropriate adjustments will promptly be made.

10.4 Nothing herein will limit the rights of the Issuer to take action against the Underwriter for default of its responsibilities hereunder or for its actions or inactions regarding the matters contemplated herein.

11. Indemnification.

11.1 To the extent permitted by the laws of the State, the Issuer agrees to indemnify and hold harmless the Underwriter, each director, officer, attorney, agent or employee of the Underwriter, and each person, if any, who controls the Underwriter within the meaning of the Securities Act of 1933, as amended, or within the meaning as determined by the Office of the Comptroller of the Currency (each hereafter, an "Indemnified Party"), from and against all losses, claims, damages, liabilities, settlements and expenses, joint or several, to which each Indemnified Party may become subject, under federal laws or regulations or otherwise, insofar as such losses, claims, damages, liabilities, settlements and expenses, or actions in respect thereof (i) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact pertaining to the Issuer as set forth in the Official Statement, or any amendment or supplement thereto, or the Preliminary Official Statement, or arise out of or are based upon the omission or alleged omission to state therein a material fact pertaining to the Issuer required to be stated therein or necessary to make the statements therein not misleading, or (ii) arise out of or are based upon any claim that the issuance of the Bonds violated any requirements contained in pre-existing bond documents, and the Issuer will, to the extent permitted by the laws of the State, assume the defense of any action against any Indemnified Party based upon allegations of any such loss, claim, damage, liability or action, including the retaining of counsel approved by the Indemnified Party (which approval shall not be unreasonably withheld) and the payment of counsel fees and all other expenses relating to such defense, provided, however, that each Indemnified Party may retain separate counsel in any such action and may participate in the defense thereof (at its expenses, unless the retention of such counsel has been specifically authorized by the Issuer); and provided further, that the Issuer will not be liable to the Underwriter or any Indemnified Party related to it, in any such case to the extent that any such loss, claim, damage, liability and expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in any such documents under the caption "Underwriting."

11.2 Promptly after receipt by an Indemnified Party under this Bond Purchase Agreement of notice of the commencement of any action, such Indemnified Party will, if a claim in respect thereof is to be made against the Issuer under this Bond Purchase Agreement, notify the Issuer of the commencement thereof, but failure to give such notice shall not relieve the Issuer of its indemnification obligations under this Bond Purchase Agreement unless and to the extent that such failure causes actual harm or prejudice to the Issuer. In case any such action is brought against any Indemnified Party, and it notifies the Issuer of the commencement thereof, the Issuer (i) will assume the defense thereof if and as required under this Bond Purchase Agreement, with counsel satisfactory to the Indemnified Party or (ii) if not required to assume the defense, will be entitled to participate in, and, to the extent that it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense thereof, with counsel satisfactory to such Indemnified Party. After notice from the Issuer to such Indemnified Party of its assumption of the defense, the Issuer will not be liable to such Indemnified Party in connection with the defense thereof other than for reasonable expenses incurred by the Indemnified Party and its counsel, reimbursement of out-of-pocket expenses and other reasonable costs of investigation or participation in the defense of the claim.

12. Miscellaneous.

12.1 All notices, demands and formal actions hereunder will be written and mailed,

telegrammed or delivered to the following address or such other address as either of the parties shall specify:

IF TO THE ISSUER:

The City of Charleston
City Hall, 2nd Floor
Charleston, WV 25301
Attn: Mayor

with a copy to:

Charleston Sanitary Board
208 26th Street
Charleston, WV 25387
Attn: General Manager

IF TO THE UNDERWRITER:

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

12.2 This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties hereto and their successors and will not confer any rights upon any other person. The term "successor" will not include any purchaser of any of the Bonds from the Underwriter merely because of such purchase. All representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement including, but not limited to, the indemnity agreements contained in Section 11 and the Continuing Disclosure Agreement contained in Section 6.1.

12.3 This Bond Purchase Agreement may not be assigned by any of the parties hereto.

12.4 If any provision of this Bond Purchase Agreement is held or deemed to be or is, in fact, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy, or any other reason, such circumstances will not have the effect of rendering the provision in question inoperable or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

12.5 The payment for, acceptance of, and delivery and execution of any receipt for the Bonds and any other instruments upon or in connection with the closing by the Underwriter will be valid and sufficient for all purposes and binding upon the Underwriter. No such action by the

Underwriter will impose any obligation or liability upon the Underwriter, other than as may arise as expressly set forth in this Bond Purchase Agreement.

12.6 Whenever any action contemplated by this Bond Purchase Agreement requires the consent or approval of the Underwriter, it is acknowledged that the Underwriter may not unreasonably withhold such approval.

12.7 This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia applicable to agreements to be performed wholly therein. The parties hereto intend to be legally bound hereby.

12.8 This Bond Purchase Agreement may be executed in several counterparts, each of which will be regarded as an original and all of which will constitute one and the same document.

12.9 No personal recourse shall be had for any claim based on this Bond Purchase Agreement or the Bonds against any official, agent or employee, past, present or future, of the Issuer or any successor body or entity as such, either directly or through the Issuer or any such successor body or entity, under any constitutional provision, statute, or rule of law or by the enforcement of an assessment or penalty or otherwise.

CREWS & ASSOCIATES, INC.

By: _____
Senior Managing Director

Accepted as of the date first above written:

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

Date: September 13, 2016 3:00 p.m.

CREWS & ASSOCIATES, INC.

By: _____
Senior Managing Director

Accepted as of the date first above written:

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

Date: September 13 2016 3:00 p.m.

EXHIBIT A

$13,145,000
The City of Charleston, West Virginia
Sewerage System Revenue Bonds,
Series 2016 A (Tax-Exempt)

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	
07/01/2017	Serial Coupon	2.000%	0.850%	365,000.00	100.885%	
07/01/2018	Serial Coupon	2.000%	1.000%	525,000.00	101.754%	
07/01/2019	Serial Coupon	2.000%	1.100%	535,000.00	102.452%	
07/01/2020	Serial Coupon	2.000%	1.250%	545,000.00	102.756%	
07/01/2021	Serial Coupon	2.000%	1.400%	560,000.00	102.761%	
07/01/2022	Serial Coupon	1.550%	1.550%	570,000.00	100.000%	
07/01/2023	Serial Coupon	1.700%	1.700%	580,000.00	100.000%	
07/01/2024	Serial Coupon	1.800%	1.800%	590,000.00	100.000%	
07/01/2025	Serial Coupon	3.000%	1.900%	600,000.00	108.850%	
07/01/2026	Serial Coupon	3.500%	2.000%	615,000.00	113.256%	
07/01/2027	Serial Coupon	4.000%	2.160%	640,000.00	116.133%	*
07/01/2028	Serial Coupon	4.000%	2.240%	665,000.00	115.371%	*
07/01/2029	Serial Coupon	4.000%	2.310%	690,000.00	114.709%	*
07/01/2030	Serial Coupon	4.000%	2.410%	720,000.00	113.770%	*
07/01/2031	Serial Coupon	4.000%	2.460%	745,000.00	113.305%	*
07/01/2032	Serial Coupon	4.000%	2.520%	775,000.00	112.749%	*
07/01/2033	Serial Coupon	4.000%	2.570%	810,000.00	112.288%	*
07/01/2034	Serial Coupon	4.000%	2.620%	840,000.00	111.829%	*
07/01/2036	Term 1 Coupon	3.000%	3.000%	1,775,000.00	100.000%	

*Priced to July 1, 2026, optional par call

Optional Redemption

The Series 2016 A Bonds maturing on or after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2016 A Bonds maturing July 1, 2036 are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	900,000

If less than all of the Series 2016 A 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.

* Final maturity.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The City deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which have been omitted in accordance with said Rule and which will be supplied in the final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 7, 2016

NEW ISSUE – BOOK ENTRY ONLY

RATING: S&P AA-

In the opinion of Jackson Kelly PLLC, Bond Counsel, under existing law and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2016 A Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to the Code and such interest is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. . In the opinion of Bond Counsel, under the laws of the State of West Virginia, the Series 2016 A Bonds (defined below) and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof (see "TAX MATTERS" herein).

$13,390,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

Dated: Date of Delivery

Due: As shown on inside cover

The City of Charleston's (the "City") Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds") are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2016 A Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2016 A Bonds will be in book-entry form only. Semiannual interest on the Series 2016 A Bonds is payable each January 1 and July 1 beginning January 1, 2017. So long as the Series 2016 A Bonds are maintained under a book-entry system, payments of the principal of, premium, if any, and interest on the Series 2016 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, to DTC in accordance with the Ordinance (defined herein) and any Supplemental Resolution (defined herein), and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2016 A Bonds. See "THE SERIES 2016 A BONDS" herein and "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements, more specifically described herein, (the "Project") to the existing sewerage system of the City (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from Build America Mutual Assurance Company ("BAM""); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs.

For a description of the Series 2016 A Reserve Policy and BAM, see "DEBT SERVICE RESERVE POLICY" herein. For the form of the Series 2016 A Reserve Policy, see "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY" hereto.

The Series 2016 A Bonds are payable from and secured by the Net Revenues (as defined herein) derived from the System of the City and any extensions, improvements and betterments thereto on parity with the outstanding First Lien Bonds and senior to the Second Lien Bonds (both defined herein) and from funds on deposit in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account therein, all as more fully described herein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the principal of, premium, if any, and interest on the Series 2016 A Bonds, except from the Net Revenues and such funds on deposit. No Owner or Owners of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

The Series 2016 A Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2016 A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. Spilman Thomas & Battle, PLLC, Charleston, West Virginia, counsel to The City of Charleston Sanitary Board (the "Sanitary Board"), will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, counsel to the City, will pass on certain matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters. It is expected that the Series 2016 A Bonds will be available for delivery through the facilities of DTC on or about September __, 2016.

Dated: September __, 2016

* Preliminary, subject to change.

Crews&Associates
Member First Security Bancorp

PiperJaffray.

$13,390,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

Maturities, Amounts, Interest Rates, Prices & CUSIPS**

SERIAL BONDS

Maturity (July 1)	Amount*	Interest Rate	Price*	CUSIP**
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				

TERM BONDS

$_,___,___* _____% Term Bonds Due JULY 1, 2036* at _____% CUSIP: _____ ___**

* Preliminary, subject to change.

** CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Series 2016 A Bonds only at the time of issuance of the Series 2016 A Bonds and neither the Underwriter nor the City make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016 A Bonds.

THE CITY OF CHARLESTON, WEST VIRGINIA

Danny Jones, Mayor

CITY COUNCIL

Bernard Slater	Cubert Smith	Samuel Minardi	Becky Coperley
Bobby Haas	Mary Beth Hoover	Bobby Reishman	Mary Jean Davis
Chuck Overstreet	Kelley Steele	John Miller	Karen Ireland
Rev. James Ealy	Shannon Snodgrass	Richard Burka	Andrew Richardson
Jeanine Faegre	Susan Salisbury	Jack Harrison	Jerry L. Ware
Edward Talkington	Brent Burton	Mike Clowser	
Archie Chestnut	Courtney Persinger	Tom Lane	

CITY MANAGER
David Molgaard

CITY CLERK
JB Akers

CITY ATTORNEY
Paul Ellis, Esq.

CHARLESTON SANITARY BOARD

Danny Jones, Chairman
John (Mike) Johnson, PE
John (Jack) Tinney, Jr., Secretary/Treasurer

UTILITY GENERAL MANAGER

Larry Roller

BOND COUNSEL

Jackson Kelly PLLC
Charleston, West Virginia

REGISTRAR

United Bank, Inc.
Charleston, West Virginia

PAYING AGENT

West Virginia Municipal Bond Commission
Charleston, West Virginia

UNDERWRITERS

Crews & Associates, Inc.
Charleston, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITERS' COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

SANITARY BOARD'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The City of Charleston, West Virginia (the "City") or the Underwriters to give any information or to make any representations, other than as is contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the City and other sources, which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City, as it relates to the System, since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein, and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

The Series 2016 A Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, and from the funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account for the Series 2016 A Bonds therein, and the unexpended proceeds of the Series 2016 A Bonds. No Holder or Holders of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

Debt Service Reserve Policy

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Series 2016 A Bonds or the advisability of investing in the Series 2016 A Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY".

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE.

The Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

The Series 2016 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$13,390,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning The City of Charleston, West Virginia (the "City"), the City's sewerage system as hereinafter described in "APPENDIX B – SYSTEM" (the "System"), and the City's $13,390,000* Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds"). The Series 2016 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended (the "Act'), a Bond Supplemental Ordinance adopted by the City Council of the City on February 16, 2016 (the "Original Ordinance"), as supplemented, amended and enacted by a Supplemental Parameters Resolution adopted by the City Council of the City on August 1, 2016 (the "Supplemental Resolution", and, together with the Original Ordinance, the "Ordinance"), a Project Ordinance, Bill No. 7679, adopted by the City Council of the City on March 7, 2016, and a Certificate of Determination executed by the Mayor on September __, 2016. See "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

The City plans improvements to its wastewater system consisting of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, any extensions, additions, betterments and improvements to the remaining portion of the existing sewerage system (collectively, the "Project"). The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from Build America Mutual Assurance Company ("BAM" or "Bond Insurer"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs.

The City has outstanding the following bonds which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
4.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien

* Preliminary, subject to change.

5.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
6.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
7.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
8.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
9.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien
10.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
11.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
12.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
13.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
14.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
15.	$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	First Lien

The foregoing First Lien Bonds are hereinafter collectively called the "First Lien Bonds." The ordinances that authorized the issuance of the First Lien Bonds are herein collectively referred to as the "Prior Ordinances." As of June 30, 2016, the First Lien Bonds were outstanding in the amount of $80,296,154.

The City has outstanding the following bonds which will rank junior and subordinate to the Series 2016 A Bonds and the First Lien Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
2.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
3.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
4.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien
5.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
5.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

The foregoing Second Lien Bonds are hereinafter collectively called the "Second Lien Bonds" and, together with the First Lien Bonds, the "Prior Bonds". The ordinances that authorized the issuance of the Second Lien Bonds are herein collectively referred to as the "Subordinate Prior Ordinances." As of June 30, 2016, the Second Lien Bonds were outstanding in the amount of $1,876,412.

The Series 2016 A Bonds are payable from and secured by the Net Revenues derived from the System on parity with one another and the First Lien Bonds, and senior to the Second Lien Bonds, and from funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account therein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Series 2016 A Bonds or premium, if any, or the interest thereon except as provided above. See "SECURITY FOR THE SERIES 2016 A BONDS" herein. See "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY".

Pursuant to the Ordinance, the City has covenanted and agreed to fix and establish, in a manner and form required by law, rates and charges for the use of the System and the services rendered thereby sufficient (together with other revenues of the System) (i) to provide for all Operating Expenses (as defined in the Ordinance) of the System, and (ii) to leave a balance each year equal to at least 115% of the Maximum Annual Debt Service on the Series 2016 A Bonds, and all obligations issued on a parity with the Series 2016 A Bonds, including the First Lien Bonds and Second Lien Bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

At the closing of the issuance of the Series 2016 A Bonds, an Independent Accountant will certify that the coverage and parity tests of the First Lien Bonds have been met. In addition, the City will receive the written consent of the holder of the First Lien Bonds for the issuance of parity bonds and senior to the Second Lien Bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

The Series 2016 A Bonds will be dated, will mature and will bear interest as more fully described on the inside cover page and under the heading "THE SERIES 2016 A BONDS" herein. The Series 2016 A Bonds initially will be maintained under a book-entry system. So long as the Series 2016 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2016 A Bonds shall be determined as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, principal of, interest, and premium, if any, on the Series 2016 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Bond Commission" or "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., Charleston, West Virginia, as bond registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2016 A BONDS – General" herein.

For a description of the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes and the exclusion of interest on the Series 2016 A Bonds from gross income for State income tax purposes, see "TAX MATTERS" herein.

The City may not issue additional bonds on parity with the First Lien Bonds and the Series 2016 A Bonds, and senior to the Second Lien Bonds, without the prior written consent of the Registered Owner of the First Lien Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinances, the Ordinance and the Supplemental Resolution. See "SECURITY FOR THE SERIES 2016 A BONDS – Additional Parity Bonds" herein and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

Brief descriptions of the Series 2016 A Bonds, the System, the Project, the City, the Charleston Sanitary Board (the "Sanitary Board") and certain provisions of the Ordinance and the Act are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2016 A Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City, the Sanitary Board or, during the period of offering the Series 2016 A Bonds, from the Underwriters.

FINANCING PLAN

The Project

The Series 2016 A Bonds are being issued to provide moneys for the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, the Project shall also include extensions, additions, betterments and improvements to the remaining portion of the existing sewerage system (collectively, the "Project").

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of the Series 2016 A Reserve Policy from BAM (1); and (iii) pay the costs of issuance of the Series 2016 A Bonds and related costs.

Sources and Uses of Funds

Sources of Funds:	
Principal Amount of Series 2016 A Bonds	$
Net Original Issue [Premium/Discount]	
Total Sources	$
Uses of Funds:	
Deposit to Series 2016 A Bond Construction Fund	$
Costs of Issuance (2)	
Total Uses	$

(1) See "SECURITY FOR THE SERIES 2016 A BONDS - Series 2016 A Bonds Reserve Account" herein.

(2) Includes legal and financing fees, underwriters' discount, bond counsel fees, underwriters' counsel fees, City and Sanitary Board's counsel fees, registrar's fee, rounding amount, surety premium, rating agency fees, and other miscellaneous expenses relating to the issuance of the Series 2016 A Bonds.

THE SERIES 2016 A BONDS

General

The Series 2016 A Bonds shall be dated as of the date of delivery, and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Series 2016 A Bonds issued in exchange for a Series 2016 A Bond surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bond surrendered. The Series 2016 A Bonds will bear interest from their date of delivery, payable semiannually on each January1 and July 1, commencing January 1, 2017, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest accruing on the Series 2016 A Bonds shall be payable by check or draft mailed by the Paying Agent, to the Registered Owner as of the applicable Record Date (each June 15 and December 15) or, in the event of a default in the payment of the Series 2016 A Bonds, that special record date to be fixed by the 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 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 for payment at the office of the Paying Agent, in Charleston, West Virginia.

The Series 2016 A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 or integral multiples thereof for any year of maturity. The Series 2016 A Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2016 A Bonds and payments of principal of, redemption price if any, and interest on the Series 2016 A Bonds will be made as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto. If the book-entry system is discontinued, interest on the Series 2016 A Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2016 A Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

Optional Redemption

The Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the City, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

So long as the Series 2016 A Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2016 A Bonds shall be given as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

Mandatory Sinking Fund Redemption

[The Series 2016 A Bonds maturing July 1, 20__, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 203_

Year (July 1)	Principal Amount
20__	$_____
20__*	$_____

*Final maturity.

If less than all of the Series 2016 A 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 Redemption

At any other time, notice to the Registered Owner and the Underwriters of any redemption shall be given by the Registrar at least 30 days and not more than 60 days prior to the date fixed for redemption by registered or certified mail to the address appearing in the Register or to such other address as is furnished in writing by such Registered Owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds, and failure to mail such notice shall not affect the validity of any such proceedings for the redemption of any portion of the Series 2016 A Bonds for which there was no failure. After notice of redemption has been given in the manner hereinabove and in the Ordinance described, and moneys necessary therefor have been deposited with the Paying Agent, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

SECURITY FOR THE SERIES 2016 A BONDS

The Series 2016 A Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2016 A Bonds except from said sources.

Debt Service Reserve Policy

Information with respect to BAM and the Series 2016 A Reserve Policy is set forth in "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY".

Sources of Payment

The payment of the debt service on the Series 2016 A Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Revenues derived from the operation of the System on parity with the First Lien Bonds and senior to the Second Lien Bonds. The payment of the debt service on the Series 2016 A Bonds is also secured by the funds on deposit in the Sinking Fund for the Series

2016 A Bonds, including the Reserve Account therein. See "APPENDIX H – ANNUAL DEBT SERVICE REQUIREMENTS" attached hereto for more information. The Net Revenues derived from the System, in an amount sufficient (1) to pay the principal of and interest on the First Lien Bonds and the Series 2016 A Bonds, (2) to make the payments into the Reserve Accounts for First Lien Bonds and the Series 2016 A Bonds, (3) to pay the principal of and interest on the Second Lien Bonds and (4) to make all other payments provided for in the Ordinance, are irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2016 A Bonds as the same become due and for the other purposes provided in the Ordinance. See "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

Rate Covenant

The City has covenanted and agreed 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 Ordinance. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in the Ordinance, the City has covenanted and agreed 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 the Ordinance. In any event, subject to any requirements of law, the City shall not reduce the rates or charges for services set forth in the rate ordinance described in the Ordinance.

The following chart provides the historical debt service coverage ratio of the City for the fiscal years ended June 30, 2011 through 2015. The City does not as a matter of course make public projections as to future revenues, increases in net assets, or other results. However, the City prepared the projected financial information set forth in the following table to present projected annual debt service coverage information relevant to an investment in the Series 2016 A Bonds. The projected financial information was prepared for internal management purposes and was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Nevertheless, in the view of the City, the projected financial information was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of the City's knowledge and belief, the expected course of action and the expected future financial performance of the City as it relates to the information presented in the table. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement and appendices are cautioned not to place undue reliance on the projected financial information.

CHARLESTON SANITARY BOARD (WV)
Five Year Historic Coverage Ratio

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Operating Revenue	$ 17,911,932	$ 19,689,693	$ 22,924,988	$ 21,686,813	$ 21,282,509
Total Operating Expenses	$ 13,114,726	$ 13,594,799	$ 14,171,370	$ 15,205,142	$ 15,143,241
	$ 4,797,206	$ 6,094,894	$ 8,753,618	$ 6,481,671	$ 6,139,268
Total Other Revenue	177,467	233,814	158,855	149,260	125,595
Total Other Expenses	2,822,863	2,765,312	2,679,977	3,124,882	3,177,393
Capital Contributions	-	27,430	18,050	75,963	100,931
Extraordinary Item	-	-	2,648,415	-	-
Change in Net Position	$ 2,151,810	$ 3,590,826	$ 8,898,961	$ 3,582,012	$ 3,188,401
Maximum Annual Debt Service	$ 5,215,979	$ 6,506,999	$ 7,087,667	$ 7,087,667	$ 7,087,667
Debt Service Coverage	175%	161%	221%	168%	164%

Source: Charleston Sanitary Board Audits

Series 2016 A Bonds Reserve Account

The City is entering into a Debt Service Reserve Agreement with BAM for the Series 2016 A Bonds (the "Series 2016 A Reserve Policy"). Under the Series 2016 A Reserve Policy, the City is required to repay any draws upon the Series 2016 A Reserve Policy and any administrative expenses incurred by BAM, together with interest on the draws and the administrative expenses at a rate equal to the greater of JP Morgan Chase Bank prime rate plus 3% or the highest rate of interest on the respective series of the Series 2016 A Bonds (the "Policy Costs"). Repayment must commence in the first month following each draw, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Series 2016 A Reserve Policy will be reduced by and to the extent of any payment made under the Series 2016 A Reserve Policy. Amounts in respect of Policy Costs paid to BAM will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Series 2016 A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2016 A Reserve Policy. All cash and investments in the Series 2016 A Bonds Reserve Account shall be transferred to the Series 2016 A Bonds Sinking Fund for payment of the debt service on the Series 2016 A Bonds before any draw may be made on the Series 2016 A Reserve Policy. The amount available under the Series 2016 A Reserve Policy will be reduced by and to the extent of any payment made under the Series 2016 A Reserve Policy. Amounts in respect of Policy Costs paid to BAM will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Series 2016 A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2016 A Reserve Policy. The City does not expect there to be cash or investments in the Series 2016 A Bonds Reserve Account.

If the Series 2016 A Reserve Policy is not in effect, in the event of a transfer from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 2016 A Bonds Reserve Account in an amount up to the Series 2016 A Bonds Reserve Requirement. The transfer of any cash by the City from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The City's obligation to repay the Policy Costs or to otherwise replenish the Series 2016 A Bonds Reserve Account will be secured by the Net Revenues derived from the System and the funds on deposit in the Renewal and Replacement Fund.

The Series 2016 A Bonds Reserve Requirement is $_____, which is equal to the lesser of (i) 10% of the original stated principal amount of the Series 2016 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2016 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2016 A Bonds. The Series 2016 A Bonds Reserve Account is being funded by the Series 2016 A Reserve Policy in the amount equal to the Series 2016 A Bonds Reserve Requirement. In the event funds in the Series 2016 A Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2016 A Bonds, the Bond Commission shall submit a Notice of Nonpayment to BAM, which will, pursuant to the Series 2016 A Reserve Policy, pay the Bond Commission sufficient amounts to make payments of principal of and/or interest on the Series 2016 A Bonds as the same becomes due, subject to the Series 2016 A Reserve Policy limits.

Renewal and Replacement Fund

The City is required, after the payment of Operating Expenses and after the payments into the Series 2016 A Bonds Sinking Fund and Reserve Account described above and the sinking funds and reserve accounts created for the First Lien Bonds, on the first day of each month, to transfer to the Renewal and Replacement Fund a sum equal to two and one half percent (2.5%) of the Gross Revenues, exclusive of any payments made to the Series 2016 A Bonds Reserve Account in the Series 2016 A Bonds Sinking Fund and the reserve accounts in the sinking funds of the Prior Bonds.

Withdrawals and disbursements from the Renewal and Replacement Fund shall be made (a) to pay the costs of replacements, emergency repairs, improvements or extensions to the System; or (b) to make up any deficiency in the Reserve Accounts.

Application of Revenues

The entire Gross Revenues derived from the operation of the System shall be deposited by the City in the Revenue Fund and applied monthly to pay all current Operating Expenses of the System. Following the monthly payment of Operating Expenses, the City shall make monthly payments to the Bond Commission: first to pay interest on the Series 2016 A Bonds and the First Lien Bonds, second to pay principal on the Series 2016 A Bonds and the First Lien Bonds, third to fund the Reserve Accounts for the Series 2016 A Bonds and the First Lien Bonds, fourth to pay interest on the Second Lien Bonds, fifth to pay principal on the Second Lien Bonds, and sixth to fund the Reserve Accounts for the Second Lien Bonds.

Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be first made on a parity basis and pro-rata, with respect to the First Lien Bonds, the Series 2016 A Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby, and shall be second made on a parity basis and pro-rata, with respect to the Second Lien Bonds, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby.

The City 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 any 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. For a more detailed description of the flow of funds see "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION-Funds and Accounts; Flow of Funds" attached hereto.

Enforcement of Collections

The City covenants in the Ordinance to 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 and 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 or other laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to the laws of the State and regulations of the Public Service Commission of West Virginia, discontinue services to all delinquent users of services and facilities of the System, until such delinquent amounts, including penalties and reconnect fees, have been fully paid. See "APPENDIX B – THE SYSTEM" and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

Additional Parity Bonds

So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, as defined in the Ordinance, payable out of the Net Revenues of the System shall be issued after the issuance of the Series 2016 A Bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided. Except as expressly provided in the Ordinance, no additional Second Lien Bonds shall be issued so long as any Second Lien Bonds remains Outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements and betterments and to the System or refunding one or more series of First Lien Bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, from the System during any

twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred and fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(A) The Prior Bonds;

B) The Series 2016 A Bonds then Outstanding;

(C) Any Parity Bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

D) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such Parity Bonds. See "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

THE SYSTEM

The City has operated a sewerage collection and treatment system since 1952. The system is operated by the City through the Sanitary Board. For additional information regarding the system, see "APPENDIX B – THE SYSTEM" attached hereto. For information regarding Kanawha County, in which the City is situated, see "APPENDIX A – GENERAL INFORMATION REGARDING KANAWHA COUNTY, WEST VIRGINIA" attached hereto.

DEBT SERVICE RESERVE POLICY

The City has applied to BAM for the issuance, concurrently with the issuance of the Series 2016 A Bonds, of the Series 2016 A Reserve Policy. The following information has been furnished solely by BAM for inclusion in this Official Statement. No representation is made by the City, the Sanitary Board nor the Underwriters as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of BAM. Reference is made to "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY for a specimen of the Series 2016 A Reserve Policy, which should be read in its entirety.

INVESTMENT CONSIDERATIONS

Gross Revenue Pledge

The Series 2016 A Bonds are secured solely by the Net Revenues of the System. There can be no guarantee that current rates of the System will always produce revenue sufficient to pay the debt service

on the First Lien Bonds and the Series 2016 A Bonds. The City has agreed to comply with the covenant to raise the rates of the System if the Net Revenues of the System are not sufficient to provide the required coverage of the maximum annual debt service of the Series 2016 A Bonds and all bonds issued on a parity with the Series 2016 A Bonds and the First Lien Bonds.

Net Revenues sufficient to pay the debt service on the Series 2016 A Bonds and the Prior Bonds also depend on the retention of current customers by the City. An unexpected loss of customers by the City could have an adverse effect on the ability of the City to make the required payments on the Series 2016 A Bonds. Additionally, a significant reduction in the amount of water used by customers of the City may also have an adverse impact on the City's ability to make the required payments on the Series 2016 A Bonds. Accordingly, any further extensions and the financing thereof by the City are dependent upon the City being able to maintain a population base that supports the System's existing capacity.

Future Legislation

Current or future legislative proposals, if enacted into law, may cause interest on the Series 2016 A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Series 2016 A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2016 A Bonds. Prospective purchasers of the Series 2016 A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2016 A Bonds if any legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal income tax purposes or adversely impacting the tax treatment of such bonds for State tax purposes.

Recent Legislation

On March 14, 2015, the West Virginia Legislature passed Senate Bill 234 ("SB 234") which significantly revised the regulatory authority of the Public Service Commission of West Virginia over rate making, and project approval for government owned water and sewer utilities. SB 234 became effective June 12, 2015. SB 234 limits the jurisdiction of the Public Service Commission of West Virginia over water and sewer utilities that have at least 4,500 customers and Gross Revenue of at least $3,000,000.

Regulation of the System by the Public Service Commission of West Virginia (the "PSC")

Pursuant to SB 234, the City and the System are exempted from regulation by the PSC for, among other things, (i) the review of City Ordinances implementing rates and charges for the System (a "Rate Ordinance"); and (ii) the requirement to obtain prior PSC approval for construction of capital projects which are outside "the normal course of business." The PSC retained among others, the following authority; customers of sewer utilities operated by a political subdivision of the state may bring formal or informal complaints regarding the commission's exercise of the powers enumerated in this section and the commission shall resolve these complaints under West Virginia Code Section 24-2-1(b)(7).

Statutory Process for Rate Increases

The Council of the City has the authority to implement rates and charges for the System through the enactment of a Rate Ordinance. Enactment of a Rate Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed change in rates and charges and two readings of a Rate Ordinance by Council, separated by seven (7) days, with a public hearing prior to the second reading. The new rates and charges cannot go into effect any sooner than 45 days after the date of enactment of a Rate Ordinance, unless the Council finds and declares that the System is in financial distress such that the 45 day waiting period would be detrimental to the ability of the System to deliver continued and compliant service.

Pursuant to SB 234, West Virginia Code Section 24-2-1(b)(8) specifically provides, however, **"[i] in the event that a political subdivision [the City] has a deficiency in either its bond revenue or bond reserve accounts, or is otherwise in breach of a bond covenant, the bond holder may petition the Public Service Commission for such redress as will bring the accounts to current status or**

otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolve the alleged deficiency or breach."

Absence of Rules and Regulations related to SB 234

The PSC has not proposed rules or regulations implementing the statutory changes in SB 234, including the process and scope of complaint cases under §24-2-1(b) of the State Code. Such rules or regulations, if adopted, or case law as developed by the Commission may or may not result in delays in the modification of rates and charges for the System.

Annual Municipal Audit

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The City is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the City's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain municipalities to obtain audit services from certain approved accounting firms. The City has been instructed by the Chief Auditor to procure audit services pursuant to such procedures. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the City and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Certificate. See "CONTINUING DISCLOSURE" herein. Additionally, the City has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

See "FINANCIAL STATEMENTS" herein for a description of the audit performed for the Sanitary Board.

TAX MATTERS

Series 2016 A Bonds

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (i) is excludable from gross income of the holders thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; and (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the Federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Series 2016 A Bonds is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed on corporations; and (iii) under the laws of the State of West Virginia, the Series 2016 A Bonds and the interest thereon are exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The opinions described in this section are subject to the condition that the City complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2016 A Bonds to be or continue to be excluded from gross income for Federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2016 A Bonds to be included in the gross income of the recipients thereof for purposes of Federal income taxation, including retroactively to the date of issuance of the Series 2016 A Bonds. Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Ordinance and the Tax Certificate relating to the Series 2016 A Bonds permit certain actions

to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income from federal income tax purposes of interest on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

The Internal Revenue Service (the "IRS") has initiated an expanded program for auditing tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2016 A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series 2016 A Bonds might be affected as a result of such audit of the Series 2016 A Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or the interpretation thereof) subsequent to the issuance of the Series 2016 A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2016 A Bonds or their market value.

Prospective purchasers should be aware of certain collateral consequences which may result under federal tax law for certain holders of the Series 2016 A Bonds: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2016 A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2016 A Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for losses incurred by 15 percent of the sum of certain items, including interest on the Series 2016 A Bonds, (iii) interest on the Series 2016 A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Series 2016 A Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S Corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such S Corporation is passive investment income, (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income receipts or accruals of interest on the Series 2016 A Bonds, and (vi) receipt of investment income, including interest on the Series 2016 A Bonds, may, pursuant to Section 32(i) of the Code, disqualify the recipient from obtaining the earned income credit provided by Section 32(a) of the Code.

Backup Withholding

Interested paid on tax-exempt obligations such as the Series 2016 A Bonds is generally required to be reported by payors to the IRS and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affect the excludability of interest on the Series 2016 A Bonds from gross income for federal tax purposes.

Changes in Federal and State Tax Law

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2016 A Bonds, including legislation, court decisions or administrative actions, whether at the federal or state level, may affect the tax exempt status of interest on the Series 2016 A Bonds or the tax consequences of ownership of the Series 2016 A Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the Series 2016 A Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including the limitation of federal tax expenditures, are expected to be under ongoing consideration by the Untied State Congress. These efforts to date have included proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation. Future proposed changes could affect the market

value or marketability of the Series 2016 A Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the Series 2016 A Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2016 A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2016 A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2016 A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2016 A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

[Original Issue Discount

Original issue discount ("OID") is the excess, if any, of the stated redemption price at maturity over the issue price. The issue price is the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the debt instrument was sold. The Series 2016 A Bonds maturing on July 1, 20__, July 1, 20__ and July1, 20__ (the "Discount Bonds"), were sold with original issue discount. Original issue discount is computed on a compound basis and equals the aggregate daily portions of the OID during the taxable year of the owner of the Discount Bonds. Generally the OID is excluded from gross income for Federal income tax purposes with respect to such owner.

Under Section 1288 of the Code, the amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner's tax basis in such Discount Bond.

Purchasers of any Discount Bond at any original issue discount should consult their tax advisors regarding the determination and treatment of original issue discount for Federal income tax purposes, and with respect to state and local tax consequences of owning such Discount Bonds.]

[Amortizable Premium

Amortizable premium is determined with reference to the basis of a debt obligation with respect to the owner thereof and the amount payable at maturity or earlier redemption of such debt obligation. The amortizable bond premium in each year includes the excess of the owner's adjusted basis at the beginning of such owner's taxable year over the amount received or to be received at maturity or earlier redemption of the debt obligation. The Series 2016 A Bonds maturing on July 1, 20__, July 1, 20__, and July 1, 20__ ("OIP Bonds"), are being sold with amortizable premium ("original issue premium" or "OIP"). Under current law, the OIP for OIP Bonds must be amortized on an annual basis by the holder thereof. The amount of OIP amortized each year will not be deductible for Federal income tax purposes. Further, Section 1016 of the Code requires that the amount of annual amortization for the OIP Bonds be deducted annually from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed prior to maturity.

Owners of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable premium for Federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.]

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2016 A Bonds are subject to the unqualified approving opinion of Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel, the form of which is attached as APPENDIX D hereto. Spilman, Thomas & Battle, PLLC, Charleston, West Virginia, counsel to the Sanitary Board, will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, as counsel to the City, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the validity of the Series 2016 A Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2016 A Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2016 A Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2016 A BONDS - General."

UNDERWRITING

The Series 2016 A Bonds are being purchased by the Underwriters named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriters will purchase the Series 2016 A Bonds, if any are purchased, at a total purchase price of $_____ (which is net of an underwriting discount of $_____ and net of an original issue [premium/discount] of $_____). The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriters may change the initial public offering prices from time to time. The Underwriters may offer and sell Series 2016 A Bonds to certain dealers (including dealers depositing the Series 2016 A Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

Piper Jaffray & Co. has entered into a distribution agreement (the "PJC Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the PJC Distribution Agreement, CS&Co will purchase Series 2016 A Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Series 2016 A Bonds that CS&Co sells.

FINANCIAL STATEMENTS

Included as Appendix C-1 attached hereto are the audited financial statements of The City of Charleston, which includes the Charleston Sanitary Board as a discretely presented component unit, as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated December 23, 2015, of Suttle & Stalnaker, PLLC, Certified Public Accountants. The Comprehensive Annual Financial Report of The City of Charleston is available at http://www.cityofcharleston.org/node/2041.

Included as Appendix C-2 attached hereto is the Regular Audit of the Charleston Sanitary Board as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated October 15, 2015, of Balestra, Harr & Scherer, CPAs, Inc., Certified Public Accountants.

The Comprehensive Annual Financial Report of The City of Charleston, which include the Charleston Sanitary Board as a discretely presented component unit, as of and for the twelve-month period ended June 30, 2016, and the Regular Audit of the Charleston Sanitary Board as of and for the twelve-month period ended June 30, 2016, are not yet available but will be posted on the Electronic

Municipal Markets Access ("EMMA") system for municipal securities disclosures at http://emma.msrb.org/Home/Index and the West Virginia State Auditor's Office website at https://www.wvsao.gov/, when they become available.

RATING

S&P Global Partners ("S&P") has assigned a rating of "AA-" with respect to the Series 2016 A Bonds. Any desired explanation of the significance of such rating should be obtained from S&P. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the City and the Sanitary Board to S&P. Generally, S&P bases its rating on the information and materials so furnished and on its investigation, study and assumptions.

There is no assurance that a particular rating will be maintained for any given period of time and that it will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the Owners of the Series 2016 A Bonds any proposed revision or withdrawal of any rating of the Series 2016 A Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price or the marketability of the Series 2016 A Bonds.

CONTINUING DISCLOSURE

To comply with the requirements of Rule 15c-2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City has entered into a Disclosure Dissemination Agent Agreement with respect to the Series 2016 A Bonds (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), as the dissemination agent on behalf of the City for the benefit of the registered and beneficial owners of the Series 2016 A Bonds, pursuant to which the City will covenant to provide to EMMA, then to DAC (a) certain annual financial information of the City not later than March 31 of the calendar year following the end of the City's fiscal year, commencing with the report for the fiscal year ended June 30, 2016 (which is due March 31, 2017), (b) certain operating data with respect to the City, and (c) notice of certain events. DAC will file such annual financial information and such notices with the Municipal Securities Rulemaking Board (the "MSRB"), which operates EMMA. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Agreement are set forth in APPENDIX E – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT.

The sole remedy for a breach or default under the Continuing Disclosure Agreement is an action to compel specific performance of the parties' obligations under the Continuing Disclosure Agreement. A breach or default under the Continuing Disclosure Agreement shall not constitute a default on the Series 2016 A Bonds, an Event of Default under the Ordinance, or a default under any other document relating to the Series 2016 A Bonds.

Compliance with Prior Disclosure Agreements

Pursuant to the continuing disclosure agreement for the City's Civic Center Revenue Bonds, Series 1998 (the "Series 1998 Bonds") and other City bond issues, the City undertook to provide its Annual Financial Information each year through DAC. The Audited Financial Statements for the fiscal year ended June 30, 2011 were filed on EMMA in a timely manner, but they were not linked to the Series 1998 Bonds. Pursuant to the Continuing Disclosure Agreement, the City subsequently caused the Audited Financial Statements for the fiscal year ended June 30, 2011 to be linked to the Series 1998 Bonds.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2016 A Bonds. The City has authorized the execution and distribution of this Official Statement.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

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EXHIBIT A DESCRIPTION OF PROJECT A-1
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Bill No. _____

Ordinance No._____

Introduced in Council: Referred to:

_____ _____

Introduced by: Passed by Council:

_____

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

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

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

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

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

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

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

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

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

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

	Designation	Lien Position
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien

11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
12.	$5,160,000 Sewerage System Refunding Revenue Bonds, Series 2002 B, dated December 1, 2002 (the "Series 2002 B Bonds").	First Lien
13.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
14.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
15.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
16.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
17.	Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	$11,613,300 Sewerage System Revenue First Lien
18.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
19.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
20.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
21.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien

22.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
23.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

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

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

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

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

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

J. All things necessary to make the Series 2016 A Bonds, when authenticated by the Registrar and issued as in this Ordinance and the Supplemental Resolution provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 A Bonds, will be timely done and duly performed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2016 A Bonds and which shall be designated

as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in this Ordinance to the Bond Insurer shall be null and void and have no force and effect.

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

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

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

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

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

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

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

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

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

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

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

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

"Council" or "City Council" means the Council of the City.

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

"DTC" means The Depository Trust Company, New York, New York.

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

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

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

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

"Mayor" means the Mayor of the City.

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

"Rebate Fund" means the Rebate Fund created by Section 6.11 hereof.

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

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

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

"Registrar" means the entity named as such in the Supplemental Resolution.

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

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

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

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

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

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

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

"State" means the State of West Virginia.

"Supplemental Ordinance" or "this Ordinance" means this ordinance as hereafter amended or supplemented.

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

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

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

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

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

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

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

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

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

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

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

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

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

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

B. If the Series 2016 A Bonds are sold to an Original Purchaser other than the Authority, then any Series 2016 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2016 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Bonds issued in exchange for Series 2016 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2016 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

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

Section 3.02. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 A Bonds shall cease to be such officer of the City before the Series 2016 A Bonds so signed and sealed have been sold and delivered, such Series 2016 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 A Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Series 2016 A Bonds, shall hold the proper office in the City, although at the date of such Series 2016 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in

the form set forth in the Supplemental Resolution, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2016 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

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

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

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

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 A Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Series 2016 A Bond in exchange and substitution for such mutilated Series 2016 A Bond, upon surrender and cancellation of such mutilated Series 2016 A Bond, or in lieu of and substitution for the Series 2016 A Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the City proof of ownership thereof and satisfactory

indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Series 2016 A Bond. All Series 2016 A Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Series 2016 A Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

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

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

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

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

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

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

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

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

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

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

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

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account for the Series 2016 A Bonds to purchase Term Bonds at a price less than the par value

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

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

Section 3.12. Notice of Redemption. Unless waived by any Registered Owner of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, if any, the Original Purchaser and the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

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

(1) The Redemption Date,

(2) The Redemption Price,

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

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

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

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

If funds sufficient to redeem all Series 2016 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys are not so deposited, the Registrar shall notify all Registered Owners of such Bonds called for redemption of such fact. Failure to deposit such moneys and redeem the Bonds called for optional redemption shall not constitute an Event of Default under the Ordinance.

Official notice of redemption having been given as aforesaid, the Series 2016 A Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2016 A Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2016 A Bond, there shall be prepared for the Registered Owner a new Series 2016 A Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Series 2016 A Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

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

Section 3.13. Persons Treated as Owners. The City, the Registrar, the Paying Agent and any agent of the City, the Registrar or the Paying Agent may treat the person in whose name any Bond is registered as the Registered Owner of such Series 2016 A Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, whether or not such Series 2016 A Bond is overdue.

Section 3.14. [Reserved]

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

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

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

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

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

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

Section 3.16. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.17. Book Entry System for Series 2016 A Bonds. A. If the Supplemental Resolution provides for registration in the name of CEDE & CO., the following provisions shall apply. The Series 2016 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2016 A Bond or any other evidence of ownership of the Series 2016 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 A Bonds, the City and, if required, the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar

shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 A Bonds shall be made to DTC or its nominee as required by DTC. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 A Bonds so redeemed, but DTC may retain such Series 2016 A Bonds and make an appropriate notation on the Series 2016 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 A Bonds, selecting the Series 2016 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 A Bonds. In either of such events (unless in the case described in clause (i) above, the City appoints a successor securities depository), the Series 2016 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall

cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 A Bonds.

ARTICLE IV

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

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

1. All interest accrued on the Series 2016 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2016 A Bonds Sinking Fund and applied to payment of interest on the Series 2016 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer via wire transfer.

3. An amount of the proceeds of the Series 2016 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 A Bonds Reserve Account; provided, that to the extent the Series 2016 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 A Bonds shall be depósited in the Series 2016 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 A Bonds Reserve Requirement.

4. The amount of Series 2016 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 A Bonds shall be deposited with the Depository Bank in the Series 2016 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2016 A Bonds at the written direction of the City. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 A Bonds, such unapplied proceeds shall be transferred by the City to the Series 2016 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 A Bonds from which such proceeds are derived.

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

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

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

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

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

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

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

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

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

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

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

(2) Simultaneously with the principal payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also

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

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

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

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

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

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

Moneys in the respective Sinking Funds shall be used only for the purposes of paying principal of and interest on the respective series of Bonds as the same shall become due. Moneys in the respective Reserve Accounts shall be used only for the purposes of paying

principal of and interest on the respective series of Bonds as the same shall become due, when other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.

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

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

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

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

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

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

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

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

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

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest

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

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

(A) Qualified Investments acquired for the Series 2016 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

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

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 A Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

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

(E) Notwithstanding the foregoing, all monies deposited in the Series 2016 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia

"consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

ARTICLE V

DEFAULT AND REMEDIES

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

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

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

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

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

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

Section 5.03. Appointment of Receiver. Any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for

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

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

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

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

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

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

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

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

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

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

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

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

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

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

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

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

The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the

Bonds issued pursuant to the Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

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

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

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

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

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

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

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

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

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

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

C. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the terms thereof is, under the terms of such Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

D. PRIVATE LOAN LIMITATION. The City shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2016 A Bonds or $5,000,000 is used, directly or indirectly, to make or finance a loan (other than loan constituting Nonpurpose Investments) to persons other than state or local government units.

E. FEDERAL GUARANTEE PROHIBITION. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

F. INFORMATION RETURN. The City shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 A Bonds, and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

G. FURTHER ACTIONS. The City shall take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Series 2016 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those deemed necessary by the Authority) which would adversely affect such exclusion.

Section 6.09. Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System. As covenanted above, the Series 2016 A Bonds are not private activity bonds within the meaning of the Code, and ninety-five percent (95%) or more of the net proceeds (as defined in the Code) of the Series 2016 A Bonds will be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City). The City reasonably expects to expend the proceeds of the Series 2016 A Bonds within the time period that would provide an exception from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of interest on the Series 2016 A Bonds.

Section 6.10. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so that such Series 2016 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on the Series 2016 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.11. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Series 2016 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully

available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.11. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.11 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the City, at least once each year (or more often if reasonably requested by the City), a summary of such funds, accounts and investment earnings. The City shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The City shall submit to the Authority, if it is the Original Purchaser, within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the City qualifies for the small governmental issue exception to rebate or any other exception therefrom, then the City shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Bonds subject to rebate. The City shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

Section 6.12. Securities Laws Compliance. If required by the Supplemental Resolution the City will provide the Original Purchaser, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Original Purchaser may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240). The City

will also deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as amended from time to time.

Section 6.13. Defeasance of Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of the Series 2016 A Bonds, the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Registered Owners shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2016 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2016 A Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of said Series 2016 A Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2016 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2016 A Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities means and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Section 6.14. Rates and Charges. The City has obtained any and all approvals of rates and charges required by state law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of

the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the City duly enacted on November 16, 2015, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2016 A Bonds are outstanding, the City covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in this Ordinance, the City hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. In any event, subject to any requirements of law, the City shall not reduce the rates or charges for services set forth in the rate ordinance described above.

The City shall diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The City further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the City, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the City, the City will, to the extent allowed by law, use diligent efforts to enter into a termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 6.15. Contracts. The City shall, simultaneously with the delivery of the Series 2016 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

Section 6.16. Continuing Disclosure Agreement. If required by the Supplemental Resolution, the City shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the City hereby instructs the Mayor and Sanitary Board to take all actions necessary for the City to comply with the continuing disclosure agreement and to make the filings with EMMA.

ARTICLE VII

REGISTRAR

Section 7.01. Appointment of Registrar. The Registrar for the Series 2016 A Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 7.02. Responsibilities of Registrar. The recitals of fact in the Series 2016 A Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 A Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described above.

Section 7.03. Evidence on Which Registrar May Act. Except as otherwise provided herein, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 7.04. Compensation and Expenses. The City shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2016 A Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 7.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners or effect or aid in any

reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Bonds Outstanding.

Section 7.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City. A copy of such notice shall also be mailed to each Registered Owner. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or the Registered Owners, in which event such resignation shall take effect immediately; provided that, in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.07. Removal. The Registrar may be removed at any time by the City, the Bond Insurer or the Registered Owners of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City, by the Bond Insurer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the City, the Bond Insurer or the Registered Owners, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided that, in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A copy of such notice shall also be mailed to each Registered Owner of the Bonds. Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owners. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 7.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 7.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 7.08 hereof.

Section 7.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2016 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2016 A Bonds in the name of the predecessor Registrar or in its own name.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Modification or Amendment. Prior to the issuance of the Series 2016 A Bonds, this Ordinance may be amended or supplemented in any way by a Supplemental Resolution. All provisions required by the Original Purchaser or the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2016 A Bonds, no material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Registered Owners shall be made without the consent in writing of the Registered Owners of the Series 2016 A Bonds then Outstanding and to be affected by said modification; provided, however, that no change shall be made in the maturity of any Series 2016 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the Net Revenues of the System without the consent of the Registered Owner thereof. Notwithstanding the foregoing, this Ordinance may be amended without the consent of any Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Bonds from gross income of the Registered Owners thereof.

Section 8.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2016 A Bonds.

Section 8.03. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, other than the Prior Ordinances, in conflict with this Ordinance are, to the extent of such conflict, repealed.

Section 8.04. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of Council and the Sanitary Board were at all times when any actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such office.

Section 8.05. Statutory Notice and Public Hearing. Upon adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least 6 full days intervening between each publication, in the Charleston Gazette-Mail, a qualified newspaper published and of general circulation in The City of Charleston, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a certain date, not less than 10 days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the City for review by interested persons during office hours of the City. The Council hereby determines that the abstract contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Section 8.06. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned, as City Clerk of The City of Charleston, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the official record of The City of Charleston, such records being in the custody of the undersigned and maintained at The City of Charleston, City Hall, Charleston, Kanawha County, West Virginia, and that the action taken by the Council in the foregoing document remains in full force and effect and has not been amended.

Dated this ___ day of _____, 2016.

_____
City Clerk

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

The Charleston Sanitary Board Porters Hollow Project consists of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, the Project shall also include extensions, additions, betterments and improvements to the remaining portion of the existing sewer system.

EXHIBIT B

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on _____, 2016, the Council of The City of Charleston, West Virginia (the "City") adopted an ordinance which, among other things:

1. Authorized the design, acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the City's existing sewerage system (the "System"), the permanent financing of such costs thereof through the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, not to exceed $18,000,000, bear interest at such rate or rates, not exceeding the then legal maximum rate, mature on such dates and in such amounts and be redeemable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the disposition of the System revenues; provided for the payment of operating expenses of the System and debt service on the Bonds; directed the creation of a sinking fund and a reserve account for the Bonds; and directed the creation of a bond construction trust fund and the disbursement of Bond proceeds.

4. Provided that the Bonds shall not be or constitute a corporate indebtedness of the City within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the registered owners of the Bonds to such Net Revenues; and

5. Provided for insurance coverage on the Project and the System, enforcement of collection of fees, rates or other charges for the System and other covenants in favor of the registered owners; and established the events of default and the remedies of the registered owners.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of The City of Charleston at a _____ meeting on _____, 2016, at _____ p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on _____, 2016, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

/s/_____
City Clerk of The City of Charleston, West Virginia

Resolution No._____

Introduced in Council: Adopted by Council:

_____ _____

Introduced by:

_____

A resolution supplementing Ordinance No. 7680, passed by the Council of The City of Charleston, West Virginia, on February 16, 2016; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, and by Ordinance No. 7560 passed by the Council on February 19, 2013; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City"), on February 16, 2016, adopted Ordinance No. 7680, (the "Ordinance"), authorizing the issuance of The City of Charleston Sewerage System Revenue Bonds, in an aggregate principal amount not to exceed $18,000,000, in one or more series, to permanently finance the cost of design, acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage system of the City (the "Project");

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 provided for the issuance by the Issuer of its Sewerage System Revenue Bonds, Series 2016 A, in the aggregate principal amount of not more than $18,000,000 (the "Series 2016 A Bonds"), for the purposes of paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the System, capitalizing interest on the Series 2016 A Bonds, funding a reserve account for the Series 2016 A Bonds and paying costs of issuance thereof, all in accordance with Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act");

WHEREAS, the Ordinance provides for the issuance of the Series 2016 A Bonds, all in accordance with the Act, and further provides that the exact principal amount, series designation, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of and matters relating to, the Series 2016 A Bonds should be established by a supplemental resolution;

WHEREAS, the Ordinance, pursuant to Section 6 of the Act, directed the City Clerk to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Series 2016 A Bonds as described in the Ordinance and that any person interested may appear before the Council upon a certain day and present protests (the "Notice");

WHEREAS, the Ordinance required that the Abstract and Notice be published as a Class II legal advertisement in the Charleston Gazette-Mail, a newspaper published and of general circulation in the City, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Ordinance and the Notice at which interested persons may appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Ordinance and the Notice;

WHEREAS, the Ordinance and the Notice provided for a public hearing to be held at 7:00 p.m., prevailing time, on March 7, 2016, in Council Chambers in City Hall;

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2016 A Bonds should be established by supplemental resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Disclosure Dissemination Agent Agreement, a Registrar Agreement, a Bond Construction Fund Agreement and an Official Statement be approved and that other matters pertaining to the Series 2016 A Bonds be provided for by a supplemental resolution of the Council or pursuant to a Certificate of Determinations, that additional covenants and provisions relating to the Series 2016 A Bonds be provided therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2016 A Bonds and/or providing a debt service reserve insurance policy for such Series 2016 A Bonds and that other matters pertaining to the Series 2016 A Bonds be provided for by a supplemental resolution of this Council or by Certificate of Determinations;

WHEREAS, the Series 2016 A Bonds are proposed to be purchased by Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Original Purchaser"), pursuant to a

Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Council wishes to delegate to the Mayor the authority to approve, within the parameters set forth herein and in the Ordinance, the final terms of the Series 2016 A Bonds and all provisions of all documents relating to the Series 2016 A Bonds (the "Bond Documents"), without the requirement of further official action by this Council; and

WHEREAS, the Council deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement, the Disclosure Dissemination Agent Agreement, the Tax Certificate, Bond Construction Fund Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Preliminary Official Statement and Official Statement relating to the Series 2016 A Bonds, hereinafter described, be approved, that the Mayor be authorized to execute the Certificate of Determinations and enter into the Bond Purchase Agreement, all within the parameters hereby approved by the Council, and that other matters relating to the Series 2016 A Bonds be herein provided for, all in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON:

Section 1. It is hereby found and determined that:

(A) The Abstract and Notice were duly published in the Charleston Gazette-Mail, a newspaper published and of general circulation in the City, with the first publication thereof being not less than ten (10) days before the day set by the Ordinance and the Notice for the public hearing, at which interested persons may appear before the Council and present protests and suggestions and with the last publication thereof being prior to said date set by the Ordinance and the Notice for the public hearing, and the Affidavit of Publication reflecting such publications is incorporated herein by reference;

(B) In accordance with the Ordinance and the Notice, the City Clerk has maintained in his office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) In Council Chambers, City Hall, Charleston, West Virginia, on March 7, 2016, at 7:00 p.m. prevailing time, in accordance with the Ordinance and the Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the City; and

(E) The Ordinance shall be put into effect as of the date hereof and the Series 2016 A Bonds contemplated thereby shall be issued, all as provided in the Ordinance, this Supplemental Resolution and the Certificate of Determination.

Section 2. For the purposes of (i) paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the System; (ii) funding a debt service reserve account for the Series 2016 A Bonds either with cash or through the purchase of a Municipal Bond Debt Service Reserve Insurance Policy; (iii) if determined to be financially advantageous to the Issuer, paying the premium for a Municipal Bond Insurance Policy; and (iv) paying costs of issuance of the Series 2016 A Bonds and related costs, the Council of the Issuer hereby authorizes and orders the issuance of the Series 2016 A Bonds in an aggregate principal amount not to exceed $18,000,000.

Section 3. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2016 A Bonds. The Series 2016 A Bonds shall be issued in the aggregate principal amount not to exceed $18,000,000, bear interest at a true interest rate not to exceed 6% payable semiannually, shall mature in not more than 20 years from the date of issue, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, and shall be subject to such redemption provisions, 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 2016 A Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as EXHIBIT A and approved hereby (the "Certificate of Determinations"), and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2016 A Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations.

Section 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute the Bond Purchase Agreement on behalf of the Issuer with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2016 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 5. A. The Tax and Non Arbitrage Certificate, to be dated the date of execution and delivery of the Series 2016 A Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Tax Certificate with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Tax Certificate by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby ratifies the Post-Issuance Compliance Policy adopted July 1, 2015.

Section 6. The Disclosure Dissemination Agent Agreement, to be dated the date of execution and delivery of the Series 2016 A Bonds (the "Disclosure Agreement"), by and between the Issuer and the Dissemination Agent named therein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 7. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto as EXHIBIT B, is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Bond Construction Fund Agreement by and between the Issuer and the Depository Bank designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Registrar Agreement and Bond Construction Fund Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement and Bond Construction Fund Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 9. The firm of Jackson Kelly PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2016 A Bonds.

Section 10. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia for the purpose of serving in the capacity of Registrar.

Section 11. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 12. The notice addresses for the Registrar/Depository Bank, Paying Agent and Original Purchaser shall be set forth in the Certificate of Determinations

Section 13. The Issuer may, in the Mayor's sole discretion, if determined to be financially advantageous, acquire a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2016 A Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2016 A Bonds. These additional covenants and provisions shall be set forth in the Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Supplemental Resolution, and shall be controlling in the event any other provisions of the Ordinance and this Supplemental Resolution may be in conflict therewith.

Section 14. The Issuer may, in the Mayor's sole discretion, if determined to be financially advantageous, acquire a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Debt Service Reserve Fund for the Series 2016 A Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy for the Series 2016 A Bonds Debt Service Reserve Fund. These additional covenants and provisions shall be set forth in the Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Supplemental Resolution, and shall be controlling in the event any other provisions of the Ordinance and this Supplemental Resolution may be in conflict therewith.

Section 15. The rate covenant set forth in Section 6.03 of Ordinance No. 4423 is hereby ratified and confirmed as applicable for the Series 2016 A Bonds:

Section 6.03. Rates. Prior to the issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the City Clerk, each of which copies will be open to inspection by all interested parties. The rates and charges shall be effective as prescribed by the rules and regulations of the PSC. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay the Operating Expenses of the System and to make the prescribed payments into the funds and accounts created hereunder and under the Prior Ordinance. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year to pay the principal of and interest on the Original Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Original Bonds; provided, however, in the event that an amount at least equal to or in excess of the Reserve Account Requirement is on deposit in the Subordinate Reserve Account, an amount at least equal to the

Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and any reserve account for the Prior Bonds is funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Original Bonds and any such prior or parity obligations including the Prior Bonds.

Section 16. The parity test set forth in Section 6.07 of Ordinance No. 1 4423 is hereby ratified and confirmed as applicable for the Series 2016 A Bonds:

Section 6.07. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant hereto, except under the conditions and in the manner herein provided. Except as expressly provided herein, no Parity Subordinate Bonds shall be issued so long as any Supplemental Bond remains Outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements and betterments and to the System or refunding one or more series of Bonds issued hereunder or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred and fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(A) The Prior Bonds;

B) The Bonds then Outstanding;

(C) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

D) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such Parity Bonds.

Section 17. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2016 A Bonds issue to the end that the Series 2016 A Bonds may be delivered as provided in the Bond Purchase Agreement.

Section 18. The financing of the project with proceeds of the Series 2016 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 19. The Mayor and City Clerk, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2016 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 20. This Supplemental Resolution shall be effective immediately following adoption hereof.

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the Council of THE CITY OF CHARLESTON on the __ day of _____, 2016.

Dated: _____, 2016.

[SEAL]

_____
City Clerk

EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2016 A

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Charleston, West Virginia (the "Issuer"), in accordance with the Series 2016 A Supplemental Resolution adopted by the Council of the Issuer on _____, 2016 (the "Supplemental Resolution"), with respect to the Issuer's Sewerage System Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), hereby finds and determines this __ day of _____, 2016 as follows:

1. The Series 2016 A Bonds shall be dated the date of closing thereon (estimated to be _____, 2016) and shall bear interest on _____ and _____ of each year commencing _____, 2016.

2. The Series 2016 A Bonds shall be issued in the aggregate principal amount of $_____, at a true interest cost of ___%. Such interest rates do not exceed 6%, being the maximum interest rate authorized by the Supplemental Resolution.

3. The Series 2016 A 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 2016 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2016 A 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 2016 A Bonds shall be sold to Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and [plus/minus] a net original issue [premium/discount] of $_____).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Dissemination Agent Agreement, the Registrar Agreement, the Bond Construction Fund Agreement, the Rule 15c2-12 Certificate and Official Statement attached hereto are hereby approved.

8. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _____ ("_____") to secure the payment of principal of, and interest on, the Series 2016 A Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Insurance Commitment") dated _____, 2016. The Mayor is hereby authorized to execute the Insurance Commitment and deliver the same to _____.

9. Pursuant to the Series 2016 A Insurance Commitment, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2016 A Bonds are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2016 A Bonds.

10. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2016 A Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accept the Municipal Bond Debt Service Reserve Insurance Commitment (the "Reserve Commitment") dated _____, 2016. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to _____.

11. Pursuant to the Series 2016 A Reserve Commitment, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Reserve Account are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2016 A Bonds.

12. The notice addresses for the Registrar/Depository Bank, Paying Agent and Original Purchaser shall be as follows: Registrar/Depository Bank, United Bank, Inc., 500 Virginia Street, East, Charleston, West Virginia 25301, Attention: Corporate Trust Department; Paying Agent, West Virginia Municipal Bond Commission, 900 Pennsylvania Avenue, Suite 117 Charleston, West Virginia 25302, Attention: Executive Director; Original Purchaser, Crews & Associates, Inc., 300 Summers Street, Suite 930 Charleston, West Virginia 25301 and Piper Jaffray & Co., 405 Capitol Street, Suite 613, Charleston, West Virginia 25301.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2016 A Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2016 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____

Its: Mayor

Schedule 1

SERIES 2016 A BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
AR-1	_____ 1	$_____	____%	_____%	_____

Schedule 2

Redemption Provisions:

Series 2016 A Bonds

[to be inserted after pricing]

EXHIBIT A – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT B – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

EXHIBIT B
PROPOSED PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____ __, 2016

NEW ISSUE – BOOK ENTRY ONLY RATING: S&P__: [Insured]

In the opinion of Jackson Kelly PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (defined below) (i) is excludable from gross income of the owners thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"), except for any period during which a Series 2016 A Bond is held by a person who, within the meaning of the Code, is a "substantial user" of facilities financed with Series 2016 A Bonds proceeds or a "related person" thereto and (ii) is a specific item of tax preference, under Section 57(a)5 of the Code, in computing the federal alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel, under the laws of the State of West Virginia, the Series 2016 A Bonds (defined below) are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2016 A Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia (see "TAX MATTERS" herein).

$18,000,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

Dated: Date of Delivery Due: As shown on inside cover.

The City of Charleston's (the "City") Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds") are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2016 A Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2016 A Bonds will be in book-entry form only. Semiannual interest on the Series 2016 A Bonds is payable each _____ 1 and _____ 1 beginning _____ 1, 2016. So long as the Series 2016 A Bonds are maintained under a book-entry system, payments of the principal of, premium, if any, and interest on the Series 2016 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, to DTC in accordance with the Ordinance (defined herein) and any Supplemental Resolution (defined herein), and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2016 A Bonds. See "THE SERIES 2016 A BONDS" herein and "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements, more specifically described herein, (the "Project") to the existing sewerage system of the City (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from _____ ("___" or "Bond Insurer"); (iii) pay the premium for a municipal bond insurance policy (the "Series 2016 A Insurance Policy") from the Bond Insurer; and (iv) pay costs of issuance of the Series 2016 A Bonds and related costs.

The scheduled payment of principal of and interest on the Series 2016 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2016 A Bonds by _____. For a description of the Policy and the Bond Insurer, see "BOND INSURANCE" herein. For forms of the Policies, see "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY"] hereto.

The Series 2016 A Bonds are payable from and secured by the Net Revenues (as defined herein) derived from the System of the City and any extensions, improvements and betterments thereto on parity with the outstanding First Lien Bonds and senior to the Second Lien Bonds (defined herein) and from funds on deposit in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account therein, all as more fully described herein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the principal of, premium, if any, and interest on the Series 2016 A Bonds, except from the Net Revenues and such funds on deposit. No Owner or Owners of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

The Series 2016 A Bonds are subject to extraordinary, optional and mandatory redemption prior to maturity as described herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2016 A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. . Spilman Thomas & Battle, PLLC, Charleston, West Virginia, counsel to The City of Charleston Sanitary Board (the "Sanitary Board"), will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, counsel to the City, will pass on certain matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters. It is expected that the Series 2016 A Bonds will be available for delivery through the facilities of DTC on or about _____ __, 2016.

Dated: _____ __, 2016

* Preliminary, subject to change.

Crews&Associates
Member First Security Bancorp

PiperJaffray

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The City deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which are permitted to be omitted pursuant to such Rule.

$18,000,000*

THE CITY OF CHARLESTON (WEST VIRGINIA)

SEWERAGE SYSTEM REVENUE BONDS

SERIES 2016 A (TAX-EXEMPT)

Maturities, Amounts, Interest Rates, Prices & CUSIPS**

SERIAL BONDS

Maturity (_____ 1)	Amount*	Interest Rate	Price*	CUSIP**
2018				_____ ___
2019				_____ ___
2020				_____ ___
2021				_____ ___
2022				_____ ___
2023				_____ ___
2024				_____ ___
2025				_____ ___
2026				_____ ___
2027				_____ ___
2028				_____ ___
2029				_____ ___
2030				_____ ___
2031				_____ ___

TERM BONDS

$_,___,___* _____% Term Bonds Due _____ 1, 20__* at _____% CUSIP: _____ ___**

$_,___,___* _____% Term Bonds Due _____ 1, 20__* at _____% CUSIP: _____ ___**

$_,___,___* _____% Term Bonds Due _____ 1, 20__* at _____% CUSIP: _____ ___**

---

* Preliminary, subject to change.

** CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Series 2016 A Bonds only at the time of issuance of the Series 2016 A Bonds and neither the Underwriter nor the City make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016 A Bonds.

THE CITY OF CHARLESTON, WEST VIRGINIA

Danny Jones, Mayor

CITY COUNCIL

Bernard Slater	Cubert Smith	Samuel Minardi	Becky Coperley
Bobby Haas	Mary Beth Hoover	Bobby Reishman	Mary Jean Davis
Chuck Overstreet	Kelley Steele	John Miller	Karen Ireland
Rev. James Ealy	Shannon Snodgrass	Richard Burka	Andrew Richardson
Jeanine Faegre	Susan Salisbury	Jack Harrison	Jerry L. Ware
Edward Talkington	Brent Burton	Mike Clowser	
Archie Chestnut	Courtney Persinger	Tom Lane	

CITY MANAGER	CITY CLERK	CITY ATTORNEY
David Molgaard	JB Akers	Paul Ellis, Esq.

CHARLESTON SANITARY BOARD

Danny Jones, Chairman
John (Mike) Johnson, PE
John (Jack) Tinney, Jr., Secretary/Treasurer

UTILITY GENERAL MANAGER

Larry Roller

BOND COUNSEL

Jackson Kelly PLLC
Charleston, West Virginia

REGISTRAR

United Bank, Inc.
Charleston, West Virginia

PAYING AGENT

West Virginia Municipal Bond Commission
Charleston, West Virginia

UNDERWRITERS

Crews & Associates, Inc.
Charleston, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITERS' COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

ISSUER'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

CITY'S ACCOUNTANT

Balestra, Harr & Scherer, CPAs, Inc.
Huntington, West Virginia

CITY'S AUDITOR

Suttle & Stalnaker, PLLC
Charleston, West Virginia

[BOARD'S ACCOUNTANT

Hayflich PLLC
Charleston, West Virginia

BOARD'S AUDITOR

Balestra, Harr & Scherer, CPAs, Inc.
Huntington, West Virginia]

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The City of Charleston, West Virginia (the "City") or the Underwriters to give any information or to make any representations, other than as is contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the City and other sources, which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City, as it relates to the System, since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein, and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

The Series 2016 A Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, and from the funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account for the Series 2016 A Bonds therein, and the unexpended proceeds of the Series 2016 A Bonds. No Holder or Holders of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

Bond Insurance Policy

_____ ("___") makes no representation regarding the Series 2016 A Bonds or the advisability of investing in the Series 2016 A Bonds. In addition, ___ has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding ___, supplied by ___ and presented under "APPENDIX I – BOND INSURANCE," "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."]

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially

from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE.

The Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

The Series 2016 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
$18,000,000* SERIES 2016 A (TAX-EXEMPT)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning The City of Charleston, West Virginia (the "City"), the City's sewerage system as hereinafter described in "APPENDIX B – SYSTEM" (the "System"), and the City's $18,000,000*Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds"). The Series 2016 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended (the "Act'), and a Bond Supplemental Ordinance adopted by the City Council of the City on February 16, 2016 (the "Original Ordinance"), as supplemented, amended and enacted by a Supplemental Parameters Resolution adopted by the City Council of the City on August 1, 2016 (the "Supplemental Resolution", and, together with the Original Ordinance, the "Ordinance") and a Certificate of Determination executed by the Mayor on _____ __, 2016. See "APPENDIX F – FORM OF ORDINANCE" attached hereto.

The City plans improvements to its wastewater system consisting of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, any extensions, additions, betterments and improvements to the remaining portion of the existing sewer system (collectively, the "Project"). The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account [with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from _____ ("___" or "Bond Insurer")]; (iii) pay the premium for a municipal bond insurance policy (the "Series 2016 A Insurance Policy") from the Bond Insurer; and (iv) pay costs of issuance of the Series 2016 A Bonds and related costs.

The City has outstanding the following bonds which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
4.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien

* Preliminary, subject to change

5.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
6.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
7.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
8.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
9.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien
10.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
11.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
12.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
13.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
14.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
15.	$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	First Lien

The foregoing First Lien Bonds are hereinafter collectively called the "First Lien Bonds." The ordinances that authorized the issuance of the First Lien Bonds are herein collectively referred to as the "Prior Ordinances." As of June 30, 2016, the First Lien Bonds were outstanding in the amount of $80,296,154.

The City has outstanding the following bonds which will rank junior and subordinate to the Series 2016 A Bonds and the First Lien Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
2.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
3.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
4.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien
5.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
5.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

The foregoing Second Lien Bonds are hereinafter collectively called the "Second Lien Bonds" and, together with the First Lien Bonds, the "Prior Bonds". The ordinances that authorized the issuance of the Second Lien Bonds are herein collectively referred to as the "Subordinate Prior Ordinances." As of June 30, 2016, the Second Lien Bonds were outstanding in the amount of $1,876,412.

The Series 2016 A Bonds are payable from and secured by the Net Revenues derived from the System on parity with one another and the First Lien Bonds, and senior to the Second Lien Bonds, and from funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account therein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Series 2016 A Bonds or premium, if any, or the interest thereon except as provided above. See "SECURITY FOR THE SERIES 2016 A BONDS" herein. Additionally, the payment of the principal of and interest on the Series 2016 A Bonds when due is guaranteed under the Insurance Policy. See "APPENDIX I – BOND INSURANCE," "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."]

Pursuant to the Ordinance, the City has covenanted and agreed to fix and establish, in a manner and form required by law, rates and charges for the use of the System and the services rendered thereby sufficient (together with other revenues of the System) (i) to provide for all Operating Expenses (as defined in the Ordinance) of the System, and (ii) to leave a balance each year equal to at least 115% of the Maximum Annual Debt Service on the Series 2016 A Bonds, and all obligations issued on a parity with the Series 2016 A Bonds, including the First Lien Bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

At the closing of the issuance of the Series 2016 A Bonds, an Independent Accountant will certify that the coverage and parity tests of the First Lien Bonds have been met. In addition, the City will receive the written consent of the holder of the First Lien Bonds for the issuance of parity bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

The Series 2016 A Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described on the inside cover page and under the heading

"THE SERIES 2016 A BONDS" herein. The Series 2016 A Bonds initially will be maintained under a book-entry system. So long as the Series 2016 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2016 A Bonds shall be determined as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, principal of, interest, and premium, if any, on the Series 2016 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Bond Commission" or "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., Charleston, West Virginia, as bond registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2016 A BONDS – General" herein.

For a description of the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes and the exclusion of interest on the Series 2016 A Bonds from gross income for state income tax purposes, see "TAX MATTERS" herein.

The City may not issue additional bonds on parity with the First Lien Bonds and the Series 2016 A Bonds, and senior to the Second Lien Bonds, without the prior written consent of the Registered Owner of the First Lien Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinances and the Supplemental Resolution. See "SECURITY FOR THE SERIES 2016 A BONDS – Additional Parity Bonds" herein and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

Brief descriptions of the Series 2016 A Bonds, the System, the Project, the City, the Charleston Sanitary Board (the "Sanitary Board") and certain provisions of the Ordinance and the Act are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2016 A Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City, the Sanitary Board or, during the period of offering the Series 2016 A Bonds, from the Underwriters.

FINANCING PLAN

The Project

The Series 2016 A Bonds are being issued to provide moneys for the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, the Project shall also include extensions, additions, betterments and improvements to the remaining portion of the existing sewer system (collectively, the "Project").

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account [with the purchase of the Series 2016 A Reserve Policy from the Bond Insurer] (1); (iii) pay the premium for the Series 2016 A Insurance Policy through the Bond Insurer; and (iv) pay the costs of issuance of the Series 2016 A Bonds and related costs.

Sources and Uses of Funds

Series 2016 A Bonds:

Sources of Funds:		
	Principal Amount of Series 2016 A Bonds	$
	Net Original Issue [Premium/Discount]	
	Total Sources	$
Uses of Funds:		
	Deposit to Series 2016 A Bond Construction Trust Fund	$
	Costs of Issuance (2)	
	Total Uses	$

(1) See "SECURITY FOR THE SERIES 2016 A BONDS - Series 2016 A Bonds Reserve Account" herein.

(2) Includes legal and financing fees, underwriters' discount, bond counsel fees, underwriters' counsel fees, City and Sanitary Board's counsel fees, registrar's fee, rounding amount, insurance and surety premiums, rating agency fees, and other miscellaneous expenses relating to the issuance of the Series 2016 A Bonds.

THE SERIES 2016 A BONDS

General

The Series 2016 A Bonds shall be dated as of the date of delivery, and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Series 2016 A Bonds issued in exchange for a Series 2016 A Bond surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bond surrendered. The Series 2016 A Bonds will bear interest from their date of delivery, payable semiannually on each _____ 1 and _____ 1, commencing _____ 1, 2016, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest accruing on the Series 2016 A Bonds shall be payable by check or draft mailed by the Paying Agent, to the Registered Owner as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of the Series 2016 A Bonds, that special record date to be fixed by the 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 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 for payment at the office of the Paying Agent, in Charleston, West Virginia.

The Series 2016 A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 or integral multiples thereof for any year of maturity. The Series 2016 A Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2016 A Bonds and payments of principal of, redemption price if any, and interest on the Series 2016 A Bonds will be made as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto. If the book-entry system is discontinued, interest on the Series 2016 A Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2016 A Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

Extraordinary Redemption

The Series 2016 A Bonds shall be subject to redemption if there shall occur any damage to or destruction of the System and any condemnation of title to or the use of the System. The Series 2016 A Bonds shall be subject to redemption at any time at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date from any condemnation awards or insurance proceeds which are not used to repair or rebuild the System.

Optional Redemption

The Series 2016 A Bonds maturing on and after _____ 1, 20__, are subject to redemption at the option of the City, prior to maturity, on or after _____ 1, 20__, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

So long as the Series 2016 A Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2016 A Bonds shall be given as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

Mandatory Sinking Fund Redemption

[The Series 2016 A Bonds maturing _____ 1, 20__, _____ 1, 20__, and _____ 1, 20__, are subject to annual mandatory redemption prior to maturity by random selection on _____ 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 20__

Year (_____1)	Principal Amount
20__	$_____
20__*	$_____

Bonds Maturing 20__

Year (_____1)	Principal Amount
20__	$_____
20__	$_____
20__*	$_____

Bonds Maturing 20__

Year (_____1)	Principal Amount
20__	$_____
20__	$_____
20__*	$_____

*Final maturity.

If less than all of the Series 2016 A 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 Redemption

At any other time, notice to the Registered Owner and the Underwriters of any redemption shall be given by the Registrar at least 30 days and not more than 60 days prior to the date fixed for redemption by registered or certified mail to the address appearing in the Register or to such other address as is furnished in writing by such Registered Owner to the Registrar. Failure to receive such notice or any

defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds, and failure to mail such notice shall not affect the validity of any such proceedings for the redemption of any portion of the Series 2016 A Bonds for which there was no failure. After notice of redemption has been given in the manner hereinabove and in the Ordinance described, and moneys necessary therefor have been deposited with the Paying Agent, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

SECURITY FOR THE SERIES 2016 A BONDS

The Series 2016 A Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2016 A Bonds except from said sources.

Bond Insurance

The payment of the principal of and interest on the Series 2016 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2016 A Bonds by _____. Information with respect to the Bond Insurer and the policies is set forth in "APPENDIX I – BOND INSURANCE," "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."]

Sources of Payment

The payment of the debt service on the Series 2016 A Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Revenues derived from the operation of the System on parity with the First Lien Bonds and senior to the Second Lien Bonds. The payment of the debt service on the Series 2016 A Bonds is also secured by the funds on deposit in the Sinking Fund for the Series 2016 A Bonds, including the Reserve Account therein. See "APPENDIX H – ANNUAL DEBT SERVICE REQUIREMENTS" attached hereto for more information. The Net Revenues derived from the System, in an amount sufficient (1) to pay the principal of and interest on the First Lien Bonds and the Series 2016 A Bonds, (2) to make the payments into the Reserve Accounts for First Lien Bonds and the Series 2016 A Bonds, (3) to pay the principal of and interest on the Second Lien Bonds and (4) to make all other payments provided for in the Ordinance, are irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2016 A Bonds as the same become due and for the other purposes provided in the Ordinance. See "APPENDIX F – FORM OF ORDINANCE" attached hereto.

Rate Covenant

The City has covenanted and agreed 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 Ordinance. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in the Ordinance, the City has covenanted and agreed 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 the Ordinance. In any event, subject to any requirements of law, the City shall not reduce the rates or charges for services set forth in the rate ordinance described in the Ordinance.

The following chart provides the historical debt service coverage ratio of the City for the fiscal years ended June 30, 2011 through 2015. The City does not as a matter of course make public projections as to future revenues, increases in net assets, or other results. However, the City prepared the projected financial information set forth in the following table to present projected annual debt service coverage information relevant to an investment in the Series 2016 A Bonds. The projected financial information was prepared for internal management purposes and was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Nevertheless, in the view of the City, the projected financial information was prepared on a reasonable basis, reflects the best currently available estimates and

judgments, and presents, to the best of the City's knowledge and belief, the expected course of action and the expected future financial performance of the City as it relates to the information presented in the table. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement and appendices are cautioned not to place undue reliance on the projected financial information.

CHARLESTON SANITARY BOARD (WV)
Five Year Historic Coverage Ratio

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Operating Revenue	$ 17,911,932	$ 19,689,693	$ 22,924,988	$ 21,686,813	$ 21,282,509
Total Operating Expenses	$ 13,114,726	$ 13,594,799	$ 14,171,370	$ 15,205,142	$ 15,143,241
	$ 4,797,206	$ 6,094,894	$ 8,753,618	$ 6,481,671	$ 6,139,268
Total Other Revenue	177,467	233,814	158,855	149,260	125,595
Total Other Expenses	2,822,863	2,765,312	2,679,977	3,124,882	3,177,393
Capital Contributions	-	27,430	18,050	75,963	100,931
Extraordinary Item	-	-	2,648,415	-	-
Change in Net Position	$ 2,151,810	$ 3,590,826	$ 8,898,961	$ 3,582,012	$ 3,188,401
Maximum Annual Debt Service	$ 5,215,979	$ 6,506,999	$ 7,087,667	$ 7,087,667	$ 7,087,667
Debt Service Coverage	175%	161%	221%	168%	164%

Source: Charleston Sanitary Board Audits

Series 2016 A Bonds Reserve Account

The City is entering into a Debt Service Reserve Agreement with ___ for the Series 2016 A Bonds (the "Series 2016 A Reserve Policy") (the "Reserve Policy"). Under the Reserve Policy, the City is required to repay any draws upon the Reserve Policy and any administrative expenses incurred by ___, together with interest on the draws and the administrative expenses at a rate equal to the greater of JP Morgan Chase Bank prime rate plus 3% or the highest rate of interest on the respective series of the Series 2016 A Bonds (the "Policy Costs"). Repayment must commence in the first month following each draw, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Reserve Policy will be reduced by and to the extent of any payment made under the Reserve Policy. Amounts in respect of Policy Costs paid to ___ will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to ___ on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. All cash and investments in the Series 2016 A Bonds Reserve Account shall be transferred to the Series 2016 A Bonds Sinking Fund for payment of the debt service on the Series 2016 A Bonds before any draw may be made on the Series 2016 A Reserve Policy. The amount available under the Reserve Policy will be reduced by and to the extent of any payment made under the Reserve Policy. Amounts in respect of Policy Costs paid to ___ will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to ___ on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The City does not expect there to be cash or investments in the Series 2016 A Bonds Reserve Account.

If the Reserve Policy is not in effect, in the event of a transfer from the respective Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 2016 A Bonds Reserve Account in an amount up to the Series 2016 A Bonds Reserve Requirement. The transfer of any cash by the City from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The City's obligation to repay the Policy Costs or to otherwise replenish the Series 2016 A Bonds Reserve Account will be secured by the Net Revenues derived from the System and the funds on deposit in the Renewal and Replacement Fund.

The Series 2015 A Bonds Reserve Requirement is $_____, which is equal to the lesser of (i) 10% of the original stated principal amount of the Series 2016 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2016 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2016 A Bonds. The Series 2016 A Bonds Reserve Account is being funded by the Series 2016 A Reserve Policy in the amount equal to the Series 2016 A Bonds Reserve Requirement. In the event funds in the Series 2016 A Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2016 A Bonds, the Bond Commission shall submit a Notice of Nonpayment to ___, which will, pursuant to the Series 2016 A Reserve Policy, pay the Bond Commission sufficient amounts to make payments of principal of and/or interest on the Series 2016 A Bonds as the same becomes due, subject to the Series 2016 A Reserve Policy limits. If the Series 2016 A Reserve Policy is not in effect, the Bond Commission shall withdraw cash from the Series 2016 A Bonds Reserve Account for transfer to the Series 2016 A Bonds Sinking Fund.]

Renewal and Replacement Fund

The City is required, after the payment of Operating Expenses and after the payments into the Series 2016 A Bonds Sinking Fund and Reserve Account described above and the sinking funds and reserve accounts created for the First Lien Bonds , on the first day of each month, to transfer to the Renewal and Replacement Fund a sum equal to two and one half percent (2.5%) of the Gross Revenues, exclusive of any payments made to the Series 2016 A Bonds Reserve Account in the Series 2016 A Bonds Sinking Fund and the reserve accounts in the sinking funds of the Prior Bonds.

Withdrawals and disbursements from the Renewal and Replacement Fund shall be made (a) to pay the costs of replacements, emergency repairs, improvements or extensions to the System; or (b) to make up any deficiency in the Reserve Accounts.

Application of Revenues

The entire Gross Revenues derived from the operation of the System shall be deposited by the City in the Revenue Fund and applied monthly to pay all current Operating Expenses of the System. Following the monthly payment of Operating Expenses, the City shall make monthly payments to the Bond Commission for the Prior Bonds as required under the Prior Ordinances. The monthly payments to the Commission for the Series 2016 A Bonds shall be as follows: first to pay interest on the Series 2016 A Bonds and the First Lien Bonds, second to pay principal on the Series 2016 A Bonds and the First Lien Bonds, third to fund the Reserve Accounts for the Series 2016 A Bonds and the First Lien Bonds, fourth to pay interest on the Second Lien Bonds, fifth to pay principal on the Second Lien Bonds, sixth to fund the Reserve Accounts for the Second Lien Bonds, and seventh to make deposits into the Renewal and Replacement Fund.

Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be first made on a parity basis and pro-rata, with respect to the First Lien Bonds, the Series 2016 A Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby, and shall be second made on a parity basis and pro-rata, with respect to the Second Lien Bonds, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby.

The City 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 any

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. For a more detailed description of the flow of funds see "APPENDIX F – FORM OF ORDINANCE-Funds and Accounts; Flow of Funds" attached hereto.

Enforcement of Collections

The City covenants in the Ordinance to 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 and 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 or other laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to the laws of the State and regulations of the Public Service Commission of West Virginia, discontinue services to all delinquent users of services and facilities of the System, until such delinquent amounts, including penalties and reconnect fees, have been fully paid. See "APPENDIX B – THE SYSTEM" and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

Additional Parity Bonds

So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional parity Bonds, as defined in the Ordinance, payable out of the revenues of the System shall be issued after the issuance of the Series 2016 A Bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided.

The City may not issue additional bonds on parity with the First Lien Bonds and the Series 2016 A Bonds, and senior to the Second Lien Bonds, without the prior written consent of the Registered Owner of the First Lien Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinances and the Supplemental Resolution. See "APPENDIX F – FORM OF ORDINANCE" attached hereto.

THE SYSTEM

The City has operated a sewerage collection and treatment system since 1952. The system is operated by the City through the Sanitary Board. For additional information regarding the system, see "APPENDIX B – THE SYSTEM" attached hereto. For information regarding Kanawha County, in which the City is situated, see "APPENDIX A – GENERAL INFORMATION REGARDING KANAWHA COUNTY, WEST VIRGINIA" attached hereto.

BOND INSURANCE

The City has applied to the Bond Insurer for the issuance, concurrently with the issuance of the Series 2016 A Bonds, of the Series 2016 A Insurance Policy and the Series 2016 A Reserve Policy. The following information has been furnished solely by the Bond Insurer for inclusion in this Official Statement. No representation is made by the City, the Sanitary Board nor the Underwriters as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer. Reference is made to "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY"] for specimens of the insurance and reserve policies, which should be read in their entirety.

Concurrently with the issuance of the Series 2016 A Bonds, the Bond Insurer will issue the Series 2016 A Insurance Policy for the Series 2016 A Bonds. The Series 2016 A Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2016 A Bonds when due as set forth in the form of the Series 2016 A Insurance Policy included as an exhibit to this Official Statement.

INVESTMENT CONSIDERATIONS

Gross Revenue Pledge

The Series 2016 A Bonds are secured solely by the Net Revenues of the System. There can be no guarantee that current rates of the System will always produce revenue sufficient to pay the debt service on the Prior Bonds and the Series 2016 A Bonds. The City has agreed to comply with the covenant to raise the rates of the System if the Net Revenues of the System are not sufficient to provide the required coverage of the maximum annual debt service of the Series 2016 A Bonds and all bonds issued on a parity with the Series 2016 A Bonds and the First Lien Bonds.

Net Revenues sufficient to pay the debt service on the Series 2016 A Bonds and the Prior Bonds also depend on the retention of current customers by the City. An unexpected loss of customers by the City could have an adverse effect on the ability of the City to make the required payments on the Series 2016 A Bonds. Additionally, a significant reduction in the amount of water used by customers of the City may also have an adverse impact on the City's ability to make the required payments on the Series 2016 A Bonds. Accordingly, any further extensions and the financing thereof by the City are dependent upon the City being able to maintain a population base that supports the System's existing capacity.

Future Legislation

Current or future legislative proposals, if enacted into law, may cause interest on the Series 2016 A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Series 2016 A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2016 A Bonds. Prospective purchasers of the Series 2016 A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2016 A Bonds if any legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal income tax purposes or adversely impacting the tax treatment of such bonds for State tax purposes.

Recent Legislation

On March 14, 2015, the West Virginia Legislature passed Senate Bill 234 ("SB 234") which significantly revised the regulatory authority of the Public Service Commission of West Virginia over rate making, and project approval for government owned water and sewer utilities. SB 234 became effective June 12, 2015. SB 234 limits the jurisdiction of the Public Service Commission of West Virginia over water and sewer utilities that have at least 4,500 customers and Gross Revenue of at least $3,000,000.

Regulation of the System by the Public Service Commission of West Virginia (the "PSC")

Pursuant to SB 234, the City and the System are exempted from regulation by the PSC for, among other things, (i) the review of City Ordinances implementing rates and charges for the System (a "Rate Ordinance"); and (ii) the requirement to obtain prior PSC approval for construction of capital projects which are outside "the normal course of business." The PSC retained among others, the following authority; customers of sewer utilities operated by a political subdivision of the state may bring formal or informal complaints regarding the commission's exercise of the powers enumerated in this section and the commission shall resolve these complaints under West Virginia Code Section 24-2-1(b)(7).

Statutory Process for Rate Increases

The Council of the City has the authority to implement rates and charges for the System through the enactment of a Rate Ordinance. Enactment of a Rate Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed change in rates and charges and two readings of a Rate Ordinance by Council, separated by seven (7) days, with a public hearing prior to the second reading. The new rates and charges cannot go into effect any sooner than 45 days after the date of enactment of a Rate Ordinance, unless the Council finds and declares that the System is in financial distress such that the 45 day waiting period would be detrimental to the ability of the System to deliver continued and compliant service.

Pursuant to SB 234, West Virginia Code Section 24-2-1(b)(8) specifically provides, however, **"[i] in the event that a political subdivision [the City] has a deficiency in either its bond revenue or bond**

reserve accounts, or is otherwise in breach of a bond covenant, the bond holder may petition the Public Service Commission for such redress as will bring the accounts to current status or otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolve the alleged deficiency or breach."

Absence of Rules and Regulations related to SB 234

The PSC has not proposed rules or regulations implementing the statutory changes in SB 234, including the process and scope of complaint cases under §24-2-1(b) of the State Code. Such rules or regulations, if adopted, or case law as developed by the Commission may or may not result in delays in the modification of rates and charges for the System.

Annual Municipal Audit

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The City is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the City's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain municipalities to obtain audit services from certain approved accounting firms. The City has been instructed by the Chief Auditor to procure audit services pursuant to such procedures. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the City and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Certificate. See "CONTINUING DISCLOSURE" herein. Additionally, the City has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

See "FINANCIAL STATEMENTS" herein for a description of the audit performed for the Sanitary Board.

TAX MATTERS

Series 2016 A Bonds

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (i) is excludable from gross income of the holders thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; and (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the Federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Series 2016 A Bonds is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed on corporations; and (iii) under the laws of the State of West Virginia, the Series 2016 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2016 A Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

The opinions described in this section are subject to the condition that the City complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2016 A Bonds to be or continue to be excluded from gross income for Federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2016 A Bonds to be included in the gross income of the recipients thereof for purposes of Federal income taxation, including retroactively to the date of issuance of the Series 2016 A Bonds.

The accrual or receipt of the interest on the Series 2016 A Bonds may otherwise affect the Federal income tax liability of certain recipients. The extent of these and other consequences will depend upon the recipient's particular tax status or other items of income or deductions. Bond Counsel expresses no opinion regarding any such consequences, and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2016 A Bonds.

[Original Issue Discount

Original issue discount ("OID") is the excess, if any, of the stated redemption price at maturity over the issue price. The issue price is the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the debt instrument was sold. The Series 2016 A Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Discount Bonds"), were sold with original issue discount. Original issue discount is computed on a compound basis and equals the aggregate daily portions of the OID during the taxable year of the owner of the Discount Bonds. Generally the OID is excluded from gross income for Federal income tax purposes with respect to such owner.

Under Section 1288 of the Code, the amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner's tax basis in such Discount Bond.

Purchasers of any Discount Bond at any original issue discount should consult their tax advisors regarding the determination and treatment of original issue discount for Federal income tax purposes, and with respect to state and local tax consequences of owning such Discount Bonds.]

[Amortizable Premium

Amortizable premium is determined with reference to the basis of a debt obligation with respect to the owner thereof and the amount payable at maturity or earlier redemption of such debt obligation. The amortizable bond premium in each year includes the excess of the owner's adjusted basis at the beginning of such owner's taxable year over the amount received or to be received at maturity or earlier redemption of the debt obligation. The Series 2016 A Bonds maturing on _____ 1, 20__, _____ 1, 20__, and _____ 1, 20__ ("OIP Bonds"), are being sold with amortizable premium ("original issue premium" or "OIP"). Under current law, the OIP for OIP Bonds must be amortized on an annual basis by the holder thereof. The amount of OIP amortized each year will not be deductible for Federal income tax purposes. Further, Section 1016 of the Code requires that the amount of annual amortization for the OIP Bonds be deducted annually from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed prior to maturity.

Owners of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable premium for Federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.]

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2016 A Bonds are subject to the unqualified approving opinion of Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel, the form of which is attached as APPENDIX D hereto. Spilman, Thomas & Battle, PLLC, Charleston, West Virginia, counsel to the Sanitary Board, will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, as counsel to the City, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the validity of the Series 2016 A Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2016 A Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2016 A Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2016 A BONDS - General."

UNDERWRITING

The Series 2016 A Bonds are being purchased by the Underwriters named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriters will purchase the Series 2016 A Bonds, if any are purchased, at a total purchase price of $_____ (which is net of an underwriting discount of $_____ and net of an original issue [premium/discount] of $_____). The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriters may change the initial public offering prices from time to time. The Underwriters may offer and sell Series 2016 A Bonds to certain dealers (including dealers depositing the Series 2016 A Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

Piper Jaffray & Co. has entered into a distribution agreement (the "PJC Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the PJC Distribution Agreement, CS&Co will purchase Series 2016 A Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Series 2016 A Bonds that CS&Co sells.

FINANCIAL STATEMENTS

Included as Appendix C-1 attached hereto is the Comprehensive Annual Financial Report of The City of Charleston, which include the Charleston Sanitary Board as a discretely presented component unit, as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated December 23, 2015, of Suttle & Stalnaker, PLLC, Certified Public Accountants.

Included as Appendix C-2 attached hereto is the Regular Audit of the Charleston Sanitary Board as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated October 15, 2015, of Balestra, Harr & Scherer, CPAs, Inc., Certified Public Accountants.

RATING

Standard & Poor's Corporation ("S&P") has assigned a rating of "AA-" with respect to the Series 2016 A Bonds. Any desired explanation of the significance of such rating should be obtained from S&P. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the City to S&P. Generally, S&P bases its rating on the information and materials so furnished and on its investigation, study and assumptions.

There is no assurance that a particular rating will be maintained for any given period of time and that it will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the Owners of the Series 2016 A Bonds any proposed revision or withdrawal of any rating of the Series 2016 A Bonds or to

oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price or the marketability of the Series 2016 A Bonds.

CONTINUING DISCLOSURE

To comply with the requirements of Rule 15c-2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City will enter into a Disclosure Dissemination Agent Agreement with respect to the Series 2016 A Bonds (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), as the dissemination agent on behalf of the City for the benefit of the registered and beneficial owners of the Series 2016 A Bonds, pursuant to which the City will covenant to provide to DAC (a) certain annual financial information of the City not later than March 31 of the calendar year following the end of the City's fiscal year, commencing with the report for the fiscal year ended June 30, 2016 (which is due March 31, 2017), (b) certain operating data with respect to the City, and (c) notice of certain events. DAC will file such annual financial information and such notices with the Municipal Securities Rulemaking Board (the "MSRB"), which operates the Electronic Municipal Markets Access ("EMMA") system for municipal securities disclosures. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Agreement are set forth in APPENDIX E – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT.

The sole remedy for a breach or default under the Continuing Disclosure Agreement is an action to compel specific performance of the parties' obligations under the Continuing Disclosure Agreement. A breach or default under the Continuing Disclosure Agreement shall not constitute a default on the Series 2016 A Bonds, an Event of Default under the Ordinance, or a default under any other document relating to the Series 2016 A Bonds.

[5 years compliance disclosure to be evaluated and added, if required]

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2016 A Bonds. The City has authorized the execution and distribution of this Official Statement.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

APPENDIX A

GENERAL INFORMATION REGARDING KANAWHA COUNTY, WEST VIRGINIA

APPENDIX B

THE SYSTEM

APPENDIX C-1

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF CHARLESTON

APPENDIX C-2

AUDITED FINANCIAL STATEMENTS OF THE CHARLESTON SANITARY BOARD

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated July __, 2016, is executed and delivered by The City of Charleston (the "City") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the City and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the City through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the City or anyone on the City's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) (March 31 of each year) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the Lottery's annual financial statements for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the respective Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the City and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the City pursuant to Section 9 hereof.

"Disclosure Representative" means Tia Robertson, City Auditor and Controller for the City, or her designee, or her successor, or such other person as the City shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the City's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the City, who is committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the City in connection with the Bonds, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The City shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 of the calendar year following the end of each fiscal year of the City, commencing with the fiscal year ended June 30, 2016 (which is due March 31, 2017). Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the City of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the City will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the City are prepared but not available prior to the Annual Filing Date, the City shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the City pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the City pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;"

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the City pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"

4. "interim/additional financial information/operating data;"

5. "budget;"

6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"

8. "consultant reports;" and

9. "other financial/operating data."

(viii) provide the City evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The City may adjust the Annual Filing Date upon change of the City's fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused

by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. The Annual Report shall contain or include by reference:

(a) Annual Financial Information with respect to the City, which shall include the City's Audited Financial Statements and certain operating data with respect to the City relating to the Bonds. Audited Financial Statements will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change on the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a) 12 of this Section 4: For the purposes of the event described in subsection (a) 12 of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).(b) The City shall give notice of the occurrence of any of the following events, if applicable, with respect to the Bonds within five business days of occurrence so that the City may then notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event in accordance with its obligations under Section 4(a) hereof:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. bankruptcy, insolvency, receivership, or similar event of the City;

12. the consummation of a merger, consolidation or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

13. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(c) The Disclosure Dissemination Agent is under no obligation to notify the City or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the City determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(d) If the Disclosure Dissemination Agent has been instructed by the City as prescribed in subsections (a) or (c) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the City shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to

providing legal advice regarding such laws. The City acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The City may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The City may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(b) The parties hereto acknowledge that the City is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(c) Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the City and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the City is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel with expertise in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The City has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The City may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the City or DAC, the City agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the City shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the City.

SECTION 10. Remedies in Event of Default. In the event of a failure of the City or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or an Event of Default under the Ordinance, or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the City's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the City at all times.

The obligations of the City under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the City.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Disclosure Dissemination Agent may amend this Disclosure Agreement and

any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel with expertise in federal securities laws acceptable to both the City and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the City or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the City. No such amendment shall become effective if the City shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Disclosure Dissemination Agent, the underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of West Virginia (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the City have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

THE CITY OF CHARLESTON

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	The City of Charleston
Name of Bond Issue:	Sewerage System Revenue Bonds, Series 2016 A
Date of Issuance:	July __, 2016
Date of Official Statement:	July __, 2016

Maturity Year (1)	CUSIP*

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	The City of Charleston
Name(s) of Bond Issue(s):	Sewerage System Revenue Bonds, Series 2016 A
Date(s) of Issuance:	July __, 2016
Date(s) of Disclosure Agreement:	July __, 2016
CUSIP Numbers:	_____

NOTICE IS HEREBY GIVEN that The City of Charleston has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between The City of Charleston and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The City of Charleston has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of The City of Charleston

_____

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:
The City of Charleston

Issuer's Six-Digit CUSIP Number:
_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:
_____ ____

Number of pages attached: _____
____ Description of Notice Events (Check One):

1._____"Principal and interest payment delinquencies;"

2._____"Non-Payment related defaults, if material;"

3._____"Unscheduled draws on debt service reserves reflecting financial difficulties;"

4._____"Unscheduled draws on credit enhancements reflecting financial difficulties;"

5._____"Substitution of credit or liquidity providers, or their failure to perform;"

6._____"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7._____"Modifications to rights of securities holders, if material;"

8._____"Bond calls, if material;"

9._____"Defeasances;"

10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"

11._____"Rating changes;"

12._____"Tender offers;"

13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14._____"Merger, consolidation, or acquisition of the obligated person, if material;" and

15._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated July __, 2016, between The City of Charleston, and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Charleston

Issuer's Six-Digit CUSIP Number:

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"

2._____"change in obligated person;"

3._____"notice to investors pursuant to bond documents;"

4._____"certain communications from the Internal Revenue Service;"

5._____"secondary market purchases;"

6._____"bid for auction rate or other securities;"

7._____"capital or other financing plan;"

8._____"litigation/enforcement action;"

9._____"change of tender agent, remarketing agent, or other on-going party;"

10.____"derivative or other similar transaction;" and

11.____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated July __, 2016, between The City of Charleston and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Charleston

Issuer's Six-Digit CUSIP Number:

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

APPENDIX F

FORM OF ORDINANCE

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriters believe to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 A Bonds. The Series 2016 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014 Refunding Bond certificate will be issued for each maturity of the Series 2016 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2016 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Refunding Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 A Bonds, except in the event that use of the book-entry system for the Series 2016 A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2016 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016 A Bonds documents. For example, Beneficial Owners of Series 2016 A Bonds may wish to ascertain that the nominee holding the Series 2016 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2016 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2016 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Series 2016 A Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Series 2016 A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2016 A Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Series 2016 A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2016 A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2016 A Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 A Bonds certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016 A Bonds certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX H

ANNUAL DEBT SERVICE

The following table sets forth for each year the amounts payable from Revenues as principal of and interest on the Series 2016 A Bonds on a parity with the Prior Bonds and senior to the Second Lien Bonds.

APPENDIX I

BOND INSURANCE

APPENDIX J

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[APPENDIX K

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY]

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriters believe to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 A Bonds. The Series 2016 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014 Refunding Bond certificate will be issued for each maturity of the Series 2016 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2016 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Refunding Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 A Bonds, except in the event that use of the book-entry system for the Series 2016 A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2016 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016 A Bonds documents. For example, Beneficial Owners of Series 2016 A Bonds may wish to ascertain that the nominee holding the Series 2016 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2016 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2016 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Series 2016 A Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Series 2016 A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2016 A Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Series 2016 A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2016 A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2016 A Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 A Bonds certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016 A Bonds certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX H

ANNUAL DEBT SERVICE

The following table sets forth for each year the amounts payable from Net Revenues as principal of and interest on the Series 2016 A Bonds on a parity with the Prior Bonds and senior to the Second Lien Bonds.

APPENDIX I

SPECIMEN DEBT SERVICE RESERVE POLICY



MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

Effective Date: _____

BONDS: [Bonds]

Risk Premium: $_____

Member Surplus Contribution: $_____

MAXIMUM POLICY LIMIT: $_____

Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be

reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. ["Debt Service Reserve Agreement" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time.] "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" means the lesser of (i) the Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the

SPECIMEN

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Name:
Title:

SPECIMEN

NEW ISSUE – BOOK ENTRY ONLY

RATING: S&P AA-

In the opinion of Jackson Kelly PLLC, Bond Counsel, under existing law and assuming continued compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2016 A Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to the Code and such interest is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. . In the opinion of Bond Counsel, under the laws of the State of West Virginia, the Series 2016 A Bonds (defined below) and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof (see "TAX MATTERS" herein).

$13,145,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

Dated: Date of Delivery

Due: As shown on inside cover

The City of Charleston's (the "City") Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds") are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2016 A Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2016 A Bonds will be in book-entry form only. Semiannual interest on the Series 2016 A Bonds is payable each January 1 and July 1 beginning January 1, 2017. So long as the Series 2016 A Bonds are maintained under a book-entry system, payments of the principal of, premium, if any, and interest on the Series 2016 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, to DTC in accordance with the Ordinance (defined herein) and any Supplemental Resolution (defined herein), and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2016 A Bonds. See "THE SERIES 2016 A BONDS" herein and "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements, more specifically described herein, (the "Project") to the existing sewerage system of the City (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs.

For a description of the Series 2016 A Reserve Policy and BAM, see "DEBT SERVICE RESERVE POLICY" herein. For the form of the Series 2016 A Reserve Policy, see "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY" hereto.

The Series 2016 A Bonds are payable from and secured by the Net Revenues (as defined herein) derived from the System of the City and any extensions, improvements and betterments thereto on parity with the outstanding First Lien Bonds and senior to the Second Lien Bonds (both defined herein) and from funds on deposit in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account therein, all as more fully described herein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the principal of, premium, if any, and interest on the Series 2016 A Bonds, except from the Net Revenues and such funds on deposit. No Owner or Owners of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

The Series 2016 A Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2016 A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. Spilman Thomas & Battle, PLLC, Charleston, West Virginia, counsel to The City of Charleston Sanitary Board (the "Sanitary Board"), will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, counsel to the City, will pass on certain matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters. It is expected that the Series 2016 A Bonds will be available for delivery through the facilities of DTC on or about September 22, 2016.

Dated: September 13, 2016

Crews&Associates
Member First Security Bancorp

PiperJaffray.

$13,145,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

Maturities, Amounts, Interest Rates, Prices & CUSIPS*

SERIAL BONDS

Maturity (July 1)	Amount	Interest Rate	Price	CUSIP*
2017	$365,000	2.000%	100.885%	160609 JY0
2018	525,000	2.000	101.754	160609 JZ7
2019	535,000	2.000	102.452	160609 KA0
2020	545,000	2.000	102.756	160609 KB8
2021	560,000	2.000	102.761	160609 KC6
2022	570,000	1.550	100.000	160609 KD4
2023	580,000	1.700	100.000	160609 KE2
2024	590,000	1.800	100.000	160609 KF9
2025	600,000	3.000	108.850	160609 KG7
2026	615,000	3.500	113.256	160609 KH5
2027	640,000	4.000	116.133	160609 KJ1**
2028	665,000	4.000	115.371	160609 KK8**
2029	690,000	4.000	114.709	160609 KL6**
2030	720,000	4.000	113.770	160609 KM4**
2031	745,000	4.000	113.305	160609 KN2**
2032	775,000	4.000	112.749	160609 KP7**
2033	810,000	4.000	112.288	160609 KQ5**
2034	840,000	4.000	111.829	160609 KR3**

TERM BOND

$1,775,000 3.000% Term Bond Due JULY 1, 2036 at 100% CUSIP*: 160609 KS1

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* CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Series 2016 A Bonds only at the time of issuance of the Series 2016 A Bonds and neither the Underwriter nor the City make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016 A Bonds.

** Priced to the July 1, 2026, optional par call.

Addendum to Official Statement dated September 13, 2016

$13,145,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

In the section entitled CONTINUING DISCLOSURE – Compliance with Prior Disclosure Agreement, the following text should be added:

Pursuant to the continuing disclosure agreement for the City's Charleston Building Commission, Lease Revenue Refunding Bonds (Center for Arts and Sciences of West Virginia Project), Series 2010 (the "Series 2010 Bonds") and other City bond issues, the City undertook to provide its Annual Financial Information each year. The Audited Financial Statements for the fiscal years ended June 30, 2011, June 30, 2013 and June 30, 2014 were not filed on EMMA in a timely manner within the 180 day period specified in the Continuing Disclosure Agreement. Pursuant to the Continuing Disclosure Agreement, the City subsequently caused the Audited Financial Statements for the fiscal years ended June 30, 2011, June 30, 2013 and June 30, 2014, to be to be filed on EMMA on March 9, 2012, January 30, 2014 and January 27, 2015, respectively.

Pursuant to the continuing disclosure agreement for the West Virginia Economic Development Authority's Taxable Lease Revenue Bonds (The City of Charleston Stadium Project), Series 2004 (the "Series 2004 Bonds"), the City undertook to provide its Annual Financial Information each year. The Audited Financial Statements for the fiscal years ended June 30, 2011, June 30, 2012 and June 30, 2013 were not filed in a timely manner because they were not linked properly on EMMA. In January 2016, pursuant to the Continuing Disclosure Agreement, the City caused the Audited Financial Statements for the fiscal years ended June 30, 2011, June 30, 2012 and June 30, 2013 to be linked properly on EMMA.

All other provisions of the Official Statement remain unchanged.

MSRB
Municipal Securities Rulemaking Board

Submission ID:ES660602
09/22/2016 10:40:03

NEW ISSUE (Submission Status: Published)

Full Issuer Name:	THE CITY OF CHARLESTON (WEST VIRGINIA)
Full Issue Description:	SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A (TAX-EXEMPT)
Security Description:	CHARLESTON W VA SWR REV SER A (WV)
Total Par Value of Issue:	$13,145,000.00
Dated Date:	09/22/2016
Expected Closing Date:	09/22/2016
Formal Award Date:	09/13/2016 17:00
First Execution Date:	09/14/2016 10:30

No Retail Order Period

CONTINUING DISCLOSURE INFORMATION

Issuer or other obligated persons **have agreed** to undertake to provide Continuing Disclosure Information as contemplated under Exchange Rule 15c2-12

Issuer Information

Continuing Disclosure Undertaking Information as Contemplated under Exchange Rule 15c2-12 Is:
Annual financial information is contractually due to be submitted each calendar year by **March 31.**

These securities advance refund all or a portion of another issue

SECURITY INFORMATION

Displaying 19 securities.

CUSIP	Maturity Date	Security Description	Interest Rate (%)	Maturity Principal Amt ($)	Initial Offering Price (%)	Initial Offering Yield (%)	CUSIP Status	Par Value Underwritten ($)
160609JY0	07/01/2017	SER A	2	365,000.00	100.885	0.85	Underwritten	
160609JZ7	07/01/2018	SER A	2	525,000.00	101.754	1	Underwritten	
160609KA0	07/01/2019	SER A	2	535,000.00	102.452	1.1	Underwritten	
160609KB8	07/01/2020	SER A	2	545,000.00	102.756	1.25	Underwritten	
160609KC6	07/01/2021	SER A	2	560,000.00	102.761	1.4	Underwritten	
160609KD4	07/01/2022	SER A	1.55	570,000.00	100	1.55	Underwritten	
160609KE2	07/01/2023	SER A	1.7	580,000.00	100	1.7	Underwritten	
160609KF9	07/01/2024	SER A	1.8	590,000.00	100	1.8	Underwritten	
160609KG7	07/01/2025	SER A	3	600,000.00	108.85	1.9	Underwritten	
160609KH5	07/01/2026	SER A	3.5	615,000.00	113.256	2	Underwritten	
160609KJ1	07/01/2027	SER A	4	640,000.00	116.133	2.16	Underwritten	

160609KK8	07/01/2028	SER A	4	665,000.00	115.371	2.24	Underwritten	
160609KL6	07/01/2029	SER A	4	690,000.00	114.709	2.31	Underwritten	
160609KM4	07/01/2030	SER A	4	720,000.00	113.77	2.41	Underwritten	
160609KN2	07/01/2031	SER A	4	745,000.00	113.305	2.46	Underwritten	
160609KP7	07/01/2032	SER A	4	775,000.00	112.749	2.52	Underwritten	
160609KQ5	07/01/2033	SER A	4	810,000.00	112.288	2.57	Underwritten	
160609KR3	07/01/2034	SER A	4	840,000.00	111.829	2.62	Underwritten	
160609KS1	07/01/2036	SER A	3	1,775,000.00	100	3	Underwritten	

DOCUMENTS

Charleston WV Sewerage System - Official Statement

City of Charleston (WV) 2016 A - Final OS.pdf posted 09/20/2016 Received From Issuer 09/20/2016

Charleston WV Sewerage - Supplement to Official Statement

City of Charleston, WV (Sanitary Board) - Series 2016 A - Supplement to OS 9-22-16.pdf posted 09/22/2016 Received From Issuer 09/22/2016

OFFERING INFORMATION

Not Underwritten CUSIP References

No Data Provided

Underwriting Spread Disclosure Information

Underwriting Spread Amount:

No Data Provided

Underwriting Spread Disclosure Indicator: Disclosed in Official Statement

© 2016 Municipal Securities Rulemaking Board (MSRB)

Moore, Mikele

From: Greg Isaacs <gisaacs@crewsfs.com>
Sent: Thursday, September 22, 2016 10:56 AM
To: Helmick, Brian; ccecil@spilmanlaw.com; Gee, Samme; Moore, Mikele; paul.ellis@cityofcharleston.org
Subject: FW: Confirmed - Charleston WV 2016 A Supplement to OS filed on EMMA and DTC
Attachments: Charleston WV - Sewerage System Revenue - Supplement to Official Stateme....pdf

ALL:

Please see the attached and the note below.

Thanks!

Greg Isaacs
Senior Managing Director
Capital Markets Group
Crews & Associates, Inc.
300 Summers St. Ste. 930
Charleston, WV
25301

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[crews logo]

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From: Mason Watson
Sent: Thursday, September 22, 2016 10:51 AM
To: Greg Isaacs
Subject: Confirmed - Charleston WV 2016 A Supplement to OS filed on EMMA and DTC

Please see attachment above for confirmation to working party of submission to EMMA. I have also submitted the Supplement to DTC. We can close the Bonds.

-MW

Mason Watson
Ext. 2903
Direct (501) 978-6382

THE CITY OF CHARLESTON, WEST VIRGINIA

Danny Jones, Mayor

CITY COUNCIL

Bernard Slater	Cubert Smith	Samuel Minardi	Becky Coperley
Bobby Haas	Mary Beth Hoover	Bobby Reishman	Mary Jean Davis
Chuck Overstreet	Kelley Steele	John Miller	Karen Ireland
Rev. James Ealy	Shannon Snodgrass	Richard Burka	Andrew Richardson
Jeanine Faegre	Susan Salisbury	Jack Harrison	Jerry L. Ware
Edward Talkington	Brent Burton	Mike Clowser	
Archie Chestnut	Courtney Persinger	Tom Lane	

CITY MANAGER
David Molgaard

CITY CLERK
JB Akers

CITY ATTORNEY
Paul Ellis, Esq.

CHARLESTON SANITARY BOARD

Danny Jones, Chairman
John (Mike) Johnson, PE
John (Jack) Tinney, Jr., Secretary/Treasurer

UTILITY GENERAL MANAGER

Larry Roller

BOND COUNSEL

Jackson Kelly PLLC
Charleston, West Virginia

REGISTRAR

United Bank, Inc.
Charleston, West Virginia

PAYING AGENT

West Virginia Municipal Bond Commission
Charleston, West Virginia

UNDERWRITERS

Crews & Associates, Inc.
Charleston, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITERS' COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

SANITARY BOARD'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The City of Charleston, West Virginia (the "City") or the Underwriters to give any information or to make any representations, other than as is contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the City and other sources, which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City, as it relates to the System, since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein, and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

The Series 2016 A Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, and from the funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account for the Series 2016 A Bonds therein, and the unexpended proceeds of the Series 2016 A Bonds. No Holder or Holders of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

Debt Service Reserve Policy

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Series 2016 A Bonds or the advisability of investing in the Series 2016 A Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY".

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE.

The Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

The Series 2016 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$13,145,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning The City of Charleston, West Virginia (the "City"), the City's sewerage system as hereinafter described in "APPENDIX B – SYSTEM" (the "System"), and the City's $13,145,000 Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds"). The Series 2016 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended (the "Act'), a Bond Supplemental Ordinance adopted by the City Council of the City on February 16, 2016 (the "Original Ordinance"), as supplemented, amended and enacted by a Supplemental Parameters Resolution adopted by the City Council of the City on August 1, 2016 (the "Supplemental Resolution", and, together with the Original Ordinance, the "Ordinance"), a Project Ordinance, Bill No. 7679, adopted by the City Council of the City on March 7, 2016, and a Certificate of Determination executed by the Mayor on September 13, 2016. See "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

The City plans improvements to its wastewater system consisting of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, any extensions, additions, betterments and improvements to the remaining portion of the existing sewerage system (collectively, the "Project"). The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) pay costs of issuance of the Series 2016 A Bonds and related costs.

The City has outstanding the following bonds which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
4.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien

5.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
6.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
7.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
8.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
9.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien
10.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
11.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
12.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
13.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
14.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
15.	$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	First Lien

The foregoing First Lien Bonds are hereinafter collectively called the "First Lien Bonds." The ordinances that authorized the issuance of the First Lien Bonds are herein collectively referred to as the "Prior Ordinances." As of June 30, 2016, the First Lien Bonds were outstanding in the amount of $80,296,154.

The City has outstanding the following bonds which will rank junior and subordinate to the Series 2016 A Bonds and the First Lien Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
2.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
3.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
4.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien
5.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
5.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

The foregoing Second Lien Bonds are hereinafter collectively called the "Second Lien Bonds" and, together with the First Lien Bonds, the "Prior Bonds". The ordinances that authorized the issuance of the Second Lien Bonds are herein collectively referred to as the "Subordinate Prior Ordinances." As of June 30, 2016, the Second Lien Bonds were outstanding in the amount of $1,876,412.

The Series 2016 A Bonds are payable from and secured by the Net Revenues derived from the System on parity with one another and the First Lien Bonds, and senior to the Second Lien Bonds, and from funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account therein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Series 2016 A Bonds or premium, if any, or the interest thereon except as provided above. See "SECURITY FOR THE SERIES 2016 A BONDS" herein. See "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY".

Pursuant to the Ordinance, the City has covenanted and agreed to fix and establish, in a manner and form required by law, rates and charges for the use of the System and the services rendered thereby sufficient (together with other revenues of the System) (i) to provide for all Operating Expenses (as defined in the Ordinance) of the System, and (ii) to leave a balance each year equal to at least 115% of the Maximum Annual Debt Service on the Series 2016 A Bonds, and all obligations issued on a parity with the Series 2016 A Bonds, including the First Lien Bonds and Second Lien Bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

At the closing of the issuance of the Series 2016 A Bonds, an Independent Accountant will certify that the coverage and parity tests of the First Lien Bonds have been met. In addition, the City will receive the written consent of the holder of the First Lien Bonds for the issuance of parity bonds and senior to the Second Lien Bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

The Series 2016 A Bonds will be dated, will mature and will bear interest as more fully described on the inside cover page and under the heading "THE SERIES 2016 A BONDS" herein. The Series 2016 A Bonds initially will be maintained under a book-entry system. So long as the Series 2016 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2016 A Bonds shall be determined as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, principal of, interest, and premium, if any, on the Series 2016 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Bond Commission" or "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., Charleston, West Virginia, as bond registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2016 A BONDS – General" herein.

For a description of the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes and the exclusion of interest on the Series 2016 A Bonds from gross income for State income tax purposes, see "TAX MATTERS" herein.

The City may not issue additional bonds on parity with the First Lien Bonds and the Series 2016 A Bonds, and senior to the Second Lien Bonds, without the prior written consent of the Registered Owner of the First Lien Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinances, the Ordinance and the Supplemental Resolution. See "SECURITY FOR THE SERIES 2016 A BONDS – Additional Parity Bonds" herein and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

Brief descriptions of the Series 2016 A Bonds, the System, the Project, the City, the Charleston Sanitary Board (the "Sanitary Board") and certain provisions of the Ordinance and the Act are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2016 A Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City, the Sanitary Board or, during the period of offering the Series 2016 A Bonds, from the Underwriters.

FINANCING PLAN

The Project

The Series 2016 A Bonds are being issued to provide moneys for the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, the Project shall also include extensions, additions, betterments and improvements to the remaining portion of the existing sewerage system (collectively, the "Project").

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of the Series 2016 A Reserve Policy from BAM (I); and (iii) pay the costs of issuance of the Series 2016 A Bonds and related costs.

Sources and Uses of Funds

Sources of Funds:	
Principal Amount of Series 2016 A Bonds	$13,145,000.00
Original Issue Premium	993,591.00
Total Sources	$14,138,591.00
Uses of Funds:	
Deposit to Series 2016 A Bond Construction Fund	$13,936,186.44
Surety Bond	27,877.50
Costs of Issuance (2)	174,527.06
Total Uses	$14,138,591.00

(1) See "SECURITY FOR THE SERIES 2016 A BONDS - Series 2016 A Bonds Reserve Account" herein.

(2) Includes legal and financing fees, underwriters' discount, bond counsel fees, underwriters' counsel fees, City and Sanitary Board's counsel fees, registrar's fee, rounding amount, surety premium, rating agency fees, and other miscellaneous expenses relating to the issuance of the Series 2016 A Bonds.

THE SERIES 2016 A BONDS

General

The Series 2016 A Bonds shall be dated as of the date of delivery, and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Series 2016 A Bonds issued in exchange for a Series 2016 A Bond surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bond surrendered. The Series 2016 A Bonds will bear interest from their date of delivery, payable semiannually on each January 1 and July 1, commencing January 1, 2017, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest accruing on the Series 2016 A Bonds shall be payable by check or draft mailed by the Paying Agent, to the Registered Owner as of the applicable Record Date (each June 15 and December 15) or, in the event of a default in the payment of the Series 2016 A Bonds, that special record date to be fixed by the 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 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 for payment at the office of the Paying Agent, in Charleston, West Virginia.

The Series 2016 A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 or integral multiples thereof for any year of maturity. The Series 2016 A Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2016 A Bonds and payments of principal of, redemption price if any, and interest on the Series 2016 A Bonds will be made as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto. If the book-entry system is discontinued, interest on the Series 2016 A Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2016 A Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

Optional Redemption

The Series 2016 A Bonds maturing on and after July 1, 2027, are subject to redemption at the option of the City, prior to maturity, on or after July 1, 2026, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

So long as the Series 2016 A Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2016 A Bonds shall be given as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

Mandatory Sinking Fund Redemption

The Series 2016 A Bonds maturing July 1, 2036, are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	900,000

*Final maturity.

If less than all of the Series 2016 A 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 Redemption

At any other time, notice to the Registered Owner and the Underwriters of any redemption shall be given by the Registrar at least 30 days and not more than 60 days prior to the date fixed for redemption by registered or certified mail to the address appearing in the Register or to such other address as is furnished in writing by such Registered Owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds, and failure to mail such notice shall not affect the validity of any such proceedings for the redemption of any portion of the Series 2016 A Bonds for which there was no failure. After notice of redemption has been given in the manner hereinabove and in the Ordinance described, and moneys necessary therefor have been deposited with the Paying Agent, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

SECURITY FOR THE SERIES 2016 A BONDS

The Series 2016 A Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2016 A Bonds except from said sources.

Debt Service Reserve Policy

Information with respect to BAM and the Series 2016 A Reserve Policy is set forth in "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY".

Sources of Payment

The payment of the debt service on the Series 2016 A Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Revenues derived from the operation of the System on parity with the First Lien Bonds and senior to the Second Lien Bonds. The payment of the debt service on the Series 2016 A Bonds is also secured by the funds on deposit in the Sinking Fund for the Series

2016 A Bonds, including the Reserve Account therein. See "APPENDIX H – ANNUAL DEBT SERVICE REQUIREMENTS" attached hereto for more information. The Net Revenues derived from the System, in an amount sufficient (1) to pay the principal of and interest on the First Lien Bonds and the Series 2016 A Bonds, (2) to make the payments into the Reserve Accounts for First Lien Bonds and the Series 2016 A Bonds, (3) to pay the principal of and interest on the Second Lien Bonds and (4) to make all other payments provided for in the Ordinance, are irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2016 A Bonds as the same become due and for the other purposes provided in the Ordinance. See "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

Rate Covenant

The City has covenanted and agreed 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 Ordinance. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in the Ordinance, the City has covenanted and agreed 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 the Ordinance. In any event, subject to any requirements of law, the City shall not reduce the rates or charges for services set forth in the rate ordinance described in the Ordinance.

The following chart provides the historical debt service coverage ratio of the City for the fiscal years ended June 30, 2011 through 2015. The City does not as a matter of course make public projections as to future revenues, increases in net assets, or other results. However, the City prepared the projected financial information set forth in the following table to present projected annual debt service coverage information relevant to an investment in the Series 2016 A Bonds. The projected financial information was prepared for internal management purposes and was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Nevertheless, in the view of the City, the projected financial information was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of the City's knowledge and belief, the expected course of action and the expected future financial performance of the City as it relates to the information presented in the table. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement and appendices are cautioned not to place undue reliance on the projected financial information.

CHARLESTON SANITARY BOARD (WV)
Five Year Historic Coverage Ratio

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Operating Revenue	$ 17,911,932	$ 19,689,693	$ 22,924,988	$ 21,686,813	$ 21,282,509
Total Operating Expenses	$ 13,114,726	$ 13,594,799	$ 14,171,370	$ 15,205,142	$ 15,143,241
	$ 4,797,206	$ 6,094,894	$ 8,753,618	$ 6,481,671	$ 6,139,268
Total Other Revenue	177,467	233,814	158,855	149,260	125,595
Total Other Expenses	2,822,863	2,765,312	2,679,977	3,124,882	3,177,393
Capital Contributions	-	27,430	18,050	75,963	100,931
Extraordinary Item	-	-	2,648,415	-	-
Change in Net Position	$ 2,151,810	$ 3,590,826	$ 8,898,961	$ 3,582,012	$ 3,188,401
Maximum Annual Debt Service	$ 5,215,979	$ 6,506,999	$ 7,087,667	$ 7,087,667	$ 7,087,667
Debt Service Coverage	175%	161%	221%	168%	164%

Source: Charleston Sanitary Board Audits

Series 2016 A Bonds Reserve Account

The City is entering into a Debt Service Reserve Agreement with BAM for the Series 2016 A Bonds (the "Series 2016 A Reserve Policy"). Under the Series 2016 A Reserve Policy, the City is required to repay any draws upon the Series 2016 A Reserve Policy and any administrative expenses incurred by BAM, together with interest on the draws and the administrative expenses at a rate equal to the greater of JP Morgan Chase Bank prime rate plus 5% or the highest rate of interest on the respective series of the Series 2016 A Bonds (the "Policy Costs"). Repayment must commence in the first month following each draw, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Series 2016 A Reserve Policy will be reduced by and to the extent of any payment made under the Series 2016 A Reserve Policy. Amounts in respect of Policy Costs paid to BAM will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Series 2016 A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2016 A Reserve Policy. All cash and investments in the Series 2016 A Bonds Reserve Account shall be transferred to the Series 2016 A Bonds Sinking Fund for payment of the debt service on the Series 2016 A Bonds before any draw may be made on the Series 2016 A Reserve Policy. The amount available under the Series 2016 A Reserve Policy will be reduced by and to the extent of any payment made under the Series 2016 A Reserve Policy. Amounts in respect of Policy Costs paid to BAM will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Series 2016 A Reserve Policy will be increased by a like amount, subject to the terms of the Series 2016 A Reserve Policy. The City does not expect there to be cash or investments in the Series 2016 A Bonds Reserve Account.

If the Series 2016 A Reserve Policy is not in effect, in the event of a transfer from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 2016 A Bonds Reserve Account in an amount up to the Series 2016 A Bonds Reserve Requirement. The transfer of any cash by the City from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The City's obligation to repay the Policy Costs or to otherwise replenish the Series 2016 A Bonds Reserve Account will be secured by the Net Revenues derived from the System and the funds on deposit in the Renewal and Replacement Fund.

The Series 2016 A Bonds Reserve Requirement is $929,250, which is equal to the lesser of (i) 10% of the original stated principal amount of the Series 2016 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2016 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2016 A Bonds. The Series 2016 A Bonds Reserve Account is being funded by the Series 2016 A Reserve Policy in the amount equal to the Series 2016 A Bonds Reserve Requirement. In the event funds in the Series 2016 A Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2016 A Bonds, the Bond Commission shall submit a Notice of Nonpayment to BAM, which will, pursuant to the Series 2016 A Reserve Policy, pay the Bond Commission sufficient amounts to make payments of principal of and/or interest on the Series 2016 A Bonds as the same becomes due, subject to the Series 2016 A Reserve Policy limits.

Renewal and Replacement Fund

The City is required, after the payment of Operating Expenses and after the payments into the Series 2016 A Bonds Sinking Fund and Reserve Account described above and the sinking funds and reserve accounts created for the First Lien Bonds, on the first day of each month, to transfer to the Renewal and Replacement Fund a sum equal to two and one half percent (2.5%) of the Gross Revenues, exclusive of any payments made to the Series 2016 A Bonds Reserve Account in the Series 2016 A Bonds Sinking Fund and the reserve accounts in the sinking funds of the Prior Bonds.

Withdrawals and disbursements from the Renewal and Replacement Fund shall be made (a) to pay the costs of replacements, emergency repairs, improvements or extensions to the System; or (b) to make up any deficiency in the Reserve Accounts.

Application of Revenues

The entire Gross Revenues derived from the operation of the System shall be deposited by the City in the Revenue Fund and applied monthly to pay all current Operating Expenses of the System. Following the monthly payment of Operating Expenses, the City shall make monthly payments to the Bond Commission: first to pay interest on the Series 2016 A Bonds and the First Lien Bonds, second to pay principal on the Series 2016 A Bonds and the First Lien Bonds, third to fund the Reserve Accounts for the Series 2016 A Bonds and the First Lien Bonds, fourth to pay interest on the Second Lien Bonds, fifth to pay principal on the Second Lien Bonds, and sixth to fund the Reserve Accounts for the Second Lien Bonds.

Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be first made on a parity basis and pro-rata, with respect to the First Lien Bonds, the Series 2016 A Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby, and shall be second made on a parity basis and pro-rata, with respect to the Second Lien Bonds, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby.

The City 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 any 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. For a more detailed description of the flow of funds see "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION-Funds and Accounts; Flow of Funds" attached hereto.

Enforcement of Collections

The City covenants in the Ordinance to 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 and 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 or other laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to the laws of the State and regulations of the Public Service Commission of West Virginia, discontinue services to all delinquent users of services and facilities of the System, until such delinquent amounts, including penalties and reconnect fees, have been fully paid. See "APPENDIX B – THE SYSTEM" and "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

Additional Parity Bonds

So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, as defined in the Ordinance, payable out of the Net Revenues of the System shall be issued after the issuance of the Series 2016 A Bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided. Except as expressly provided in the Ordinance, no additional Second Lien Bonds shall be issued so long as any Second Lien Bonds remains Outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements and betterments and to the System or refunding one or more series of First Lien Bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, from the System during any

twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred and fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(A) The Prior Bonds;

(B) The Series 2016 A Bonds then Outstanding;

(C) Any Parity Bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(D) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such Parity Bonds. See "APPENDIX F – FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION" attached hereto.

THE SYSTEM

The City has operated a sewerage collection and treatment system since 1952. The system is operated by the City through the Sanitary Board. For additional information regarding the system, see "APPENDIX B – THE SYSTEM" attached hereto. For information regarding Kanawha County, in which the City is situated, see "APPENDIX A – GENERAL INFORMATION REGARDING KANAWHA COUNTY, WEST VIRGINIA" attached hereto.

DEBT SERVICE RESERVE POLICY

The City has applied to BAM for the issuance, concurrently with the issuance of the Series 2016 A Bonds, of the Series 2016 A Reserve Policy. The following information has been furnished solely by BAM for inclusion in this Official Statement. No representation is made by the City, the Sanitary Board nor the Underwriters as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of BAM. Reference is made to "APPENDIX I – SPECIMEN DEBT SERVICE RESERVE POLICY for a specimen of the Series 2016 A Reserve Policy, which should be read in its entirety.

INVESTMENT CONSIDERATIONS

Gross Revenue Pledge

The Series 2016 A Bonds are secured solely by the Net Revenues of the System. There can be no guarantee that current rates of the System will always produce revenue sufficient to pay the debt service

on the First Lien Bonds and the Series 2016 A Bonds. The City has agreed to comply with the covenant to raise the rates of the System if the Net Revenues of the System are not sufficient to provide the required coverage of the maximum annual debt service of the Series 2016 A Bonds and all bonds issued on a parity with the Series 2016 A Bonds and the First Lien Bonds.

Net Revenues sufficient to pay the debt service on the Series 2016 A Bonds and the Prior Bonds also depend on the retention of current customers by the City. An unexpected loss of customers by the City could have an adverse effect on the ability of the City to make the required payments on the Series 2016 A Bonds. Additionally, a significant reduction in the amount of water used by customers of the City may also have an adverse impact on the City's ability to make the required payments on the Series 2016 A Bonds. Accordingly, any further extensions and the financing thereof by the City are dependent upon the City being able to maintain a population base that supports the System's existing capacity.

Future Legislation

Current or future legislative proposals, if enacted into law, may cause interest on the Series 2016 A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Series 2016 A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2016 A Bonds. Prospective purchasers of the Series 2016 A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2016 A Bonds if any legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal income tax purposes or adversely impacting the tax treatment of such bonds for State tax purposes.

Recent Legislation

On March 14, 2015, the West Virginia Legislature passed Senate Bill 234 ("SB 234") which significantly revised the regulatory authority of the Public Service Commission of West Virginia over rate making, and project approval for government owned water and sewer utilities. SB 234 became effective June 12, 2015. SB 234 limits the jurisdiction of the Public Service Commission of West Virginia over water and sewer utilities that have at least 4,500 customers and Gross Revenue of at least $3,000,000.

Regulation of the System by the Public Service Commission of West Virginia (the "PSC")

Pursuant to SB 234, the City and the System are exempted from regulation by the PSC for, among other things, (i) the review of City Ordinances implementing rates and charges for the System (a "Rate Ordinance"); and (ii) the requirement to obtain prior PSC approval for construction of capital projects which are outside "the normal course of business." The PSC retained among others, the following authority; customers of sewer utilities operated by a political subdivision of the state may bring formal or informal complaints regarding the commission's exercise of the powers enumerated in this section and the commission shall resolve these complaints under West Virginia Code Section 24-2-1(b)(7).

Statutory Process for Rate Increases

The Council of the City has the authority to implement rates and charges for the System through the enactment of a Rate Ordinance. Enactment of a Rate Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed change in rates and charges and two readings of a Rate Ordinance by Council, separated by seven (7) days, with a public hearing prior to the second reading. The new rates and charges cannot go into effect any sooner than 45 days after the date of enactment of a Rate Ordinance, unless the Council finds and declares that the System is in financial distress such that the 45 day waiting period would be detrimental to the ability of the System to deliver continued and compliant service.

Pursuant to SB 234, West Virginia Code Section 24-2-1(b)(8) specifically provides, however, **"[i]n the event that a political subdivision [the City] has a deficiency in either its bond revenue or bond reserve accounts, or is otherwise in breach of a bond covenant, the bond holder may petition the Public Service Commission for such redress as will bring the accounts to current status or**

otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolve the alleged deficiency or breach."

Absence of Rules and Regulations related to SB 234

The PSC has not proposed rules or regulations implementing the statutory changes in SB 234, including the process and scope of complaint cases under §24-2-1(b) of the State Code. Such rules or regulations, if adopted, or case law as developed by the PSC may or may not result in delays in the modification of rates and charges for the System.

Annual Municipal Audit

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The City is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the City's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain municipalities to obtain audit services from certain approved accounting firms. The City has been instructed by the Chief Auditor to procure audit services pursuant to such procedures. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the City and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Certificate. See "CONTINUING DISCLOSURE" herein. Additionally, the City has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

See "FINANCIAL STATEMENTS" herein for a description of the audit performed for the Sanitary Board.

TAX MATTERS

Series 2016 A Bonds

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (i) is excludable from gross income of the holders thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; and (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the Federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Series 2016 A Bonds is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed on corporations; and (iii) under the laws of the State of West Virginia, the Series 2016 A Bonds and the interest thereon are exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The opinions described in this section are subject to the condition that the City complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2016 A Bonds to be or continue to be excluded from gross income for Federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2016 A Bonds to be included in the gross income of the recipients thereof for purposes of Federal income taxation, including retroactively to the date of issuance of the Series 2016 A Bonds. Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Ordinance and the Tax Certificate relating to the Series 2016 A Bonds permit certain actions

to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income from federal income tax purposes of interest on any Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

The Internal Revenue Service (the "IRS") has initiated an expanded program for auditing tax-exempt bond issues, including both random and targeted audits. It is possible that the Series 2016 A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series 2016 A Bonds might be affected as a result of such audit of the Series 2016 A Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or the interpretation thereof) subsequent to the issuance of the Series 2016 A Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Series 2016 A Bonds or their market value.

Prospective purchasers should be aware of certain collateral consequences which may result under federal tax law for certain holders of the Series 2016 A Bonds: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2016 A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2016 A Bonds, (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for losses incurred by 15 percent of the sum of certain items, including interest on the Series 2016 A Bonds, (iii) interest on the Series 2016 A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iv) passive investment income, including interest on the Series 2016 A Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S Corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such S Corporation is passive investment income, (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income receipts or accruals of interest on the Series 2016 A Bonds, and (vi) receipt of investment income, including interest on the Series 2016 A Bonds, may, pursuant to Section 32(i) of the Code, disqualify the recipient from obtaining the earned income credit provided by Section 32(a) of the Code.

Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2016 A Bonds is generally required to be reported by payors to the IRS and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to "backup withholding" if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affect the excludability of interest on the Series 2016 A Bonds from gross income for federal tax purposes.

Changes in Federal and State Tax Law

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2016 A Bonds, including legislation, court decisions or administrative actions, whether at the federal or state level, may affect the tax exempt status of interest on the Series 2016 A Bonds or the tax consequences of ownership of the Series 2016 A Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the Series 2016 A Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including the limitation of federal tax expenditures, are expected to be under ongoing consideration by the United States Congress. These efforts to date have included proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation. Future proposed changes could affect the market

value or marketability of the Series 2016 A Bonds, and, if enacted, could also affect the tax treatment of all or a portion of the interest on the Series 2016 A Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2016 A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2016 A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2016 A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2016 A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Amortizable Premium

Amortizable premium is determined with reference to the basis of a debt obligation with respect to the owner thereof and the amount payable at maturity or earlier redemption of such debt obligation. The amortizable bond premium in each year includes the excess of the owner's adjusted basis at the beginning of such owner's taxable year over the amount received or to be received at maturity or earlier redemption of the debt obligation. The Series 2016 A Bonds maturing on July 1, 2017 through July 1, 2021 (inclusive) and July 1, 2025 through July 1, 2034 (inclusive) (collectively, "OIP Bonds"), are being sold with amortizable premium ("original issue premium" or "OIP"). Under current law, the OIP for OIP Bonds must be amortized on an annual basis by the holder thereof. The amount of OIP amortized each year will not be deductible for Federal income tax purposes. Further, Section 1016 of the Code requires that the amount of annual amortization for the OIP Bonds be deducted annually from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed prior to maturity.

Owners of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable premium for Federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2016 A Bonds are subject to the unqualified approving opinion of Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel, the form of which is attached as APPENDIX D hereto. Spilman Thomas & Battle, PLLC, Charleston, West Virginia, counsel to the Sanitary Board, will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, as counsel to the City, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the validity of the Series 2016 A Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2016 A Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2016 A Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2016 A BONDS - General."

UNDERWRITING

The Series 2016 A Bonds are being purchased by the Underwriters named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriters will purchase the Series 2016 A Bonds, if any are purchased, at a total purchase price of $14,074,180.50 (which is net of an underwriting discount of $64,410.50, plus an original issue premium of $993,591.00). The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriters may change the initial public offering prices from time to time. The Underwriters may offer and sell Series 2016 A Bonds to certain dealers (including dealers depositing the Series 2016 A Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

Piper Jaffray & Co. has entered into a distribution agreement (the "PJC Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the PJC Distribution Agreement, CS&Co will purchase Series 2016 A Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Series 2016 A Bonds that CS&Co sells.

FINANCIAL STATEMENTS

Included as Appendix C-1 attached hereto are the audited financial statements of The City of Charleston, which includes the Charleston Sanitary Board as a discretely presented component unit, as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated December 23, 2015, of Suttle & Stalnaker, PLLC, Certified Public Accountants. The Comprehensive Annual Financial Report of The City of Charleston is available at http://www.cityofcharleston.org/node/2041.

Included as Appendix C-2 attached hereto is the Regular Audit of the Charleston Sanitary Board as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated October 15, 2015, of Balestra, Harr & Scherer, CPAs, Inc., Certified Public Accountants.

The Comprehensive Annual Financial Report of The City of Charleston, which includes the Charleston Sanitary Board as a discretely presented component unit, as of and for the twelve-month period ended June 30, 2016, and the Regular Audit of the Charleston Sanitary Board as of and for the twelve-month period ended June 30, 2016, are not yet available but will be posted on the Electronic Municipal Markets Access ("EMMA") system for municipal securities disclosures at http://emma.msrb.org/Home/Index and the West Virginia State Auditor's Office website at https://www.wvsao.gov/, when they become available.

RATING

S&P Global Partners ("S&P") has assigned a rating of "AA-" with respect to the Series 2016 A Bonds. Any desired explanation of the significance of such rating should be obtained from S&P. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the City and the Sanitary Board to S&P. Generally, S&P bases its rating on the information and materials so furnished and on its investigation, study and assumptions.

There is no assurance that a particular rating will be maintained for any given period of time and that it will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the Owners of the Series 2016 A Bonds any proposed revision or withdrawal of any rating of the Series 2016 A Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price or the marketability of the Series 2016 A Bonds.

CONTINUING DISCLOSURE

To comply with the requirements of Rule 15c-2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City has entered into a Disclosure Dissemination Agent Agreement

with respect to the Series 2016 A Bonds (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), as the dissemination agent on behalf of the City for the benefit of the registered and beneficial owners of the Series 2016 A Bonds, pursuant to which the City will covenant to provide to EMMA, then to DAC (a) certain annual financial information of the City not later than June 30 of the calendar year following the end of the City's fiscal year, commencing with the report for the fiscal year ended June 30, 2016 (which is due June 30, 2017), (b) certain operating data with respect to the City, and (c) notice of certain events. DAC will file such annual financial information and such notices with the Municipal Securities Rulemaking Board (the "MSRB"), which operates EMMA. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Agreement are set forth in APPENDIX E – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT.

The sole remedy for a breach or default under the Continuing Disclosure Agreement is an action to compel specific performance of the parties' obligations under the Continuing Disclosure Agreement. A breach or default under the Continuing Disclosure Agreement shall not constitute a default on the Series 2016 A Bonds, an Event of Default under the Ordinance, or a default under any other document relating to the Series 2016 A Bonds.

Compliance with Prior Disclosure Agreements

Pursuant to the continuing disclosure agreement for the City's Civic Center Revenue Bonds, Series 1998 (the "Series 1998 Bonds") and other City bond issues, the City undertook to provide its Annual Financial Information each year through DAC. The Audited Financial Statements for the fiscal year ended June 30, 2011 were filed on EMMA in a timely manner, but they were not linked to the Series 1998 Bonds. Pursuant to the Continuing Disclosure Agreement, the City subsequently caused the Audited Financial Statements for the fiscal year ended June 30, 2011 to be linked to the Series 1998 Bonds.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2016 A Bonds. The City has authorized the execution and distribution of this Official Statement.

THE CITY OF CHARLESTON, WEST VIRGINIA

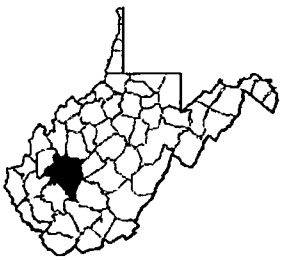
By: /s/ Danny Jones
Mayor

APPENDIX A

GENERAL INFORMATION REGARDING KANAWHA COUNTY, WEST VIRGINIA

APPENDIX A

General Information for Charleston, WV and Kanawha County



Sources include: US Census
City-Data.com
www.stats.indiana.edu/

Profile for Charleston, West Virginia

People & Housing

Population Estimate (2014)	50,911
H.S. Diploma or More - % of Adults 25+ (2014)	90.90%
Bachelor's Deg. or More - % of Adults 25+ (2014)	39.30%
Households (2014)	22,919
Total Housing Units (2014)	25,975
Percent of Total Units Vacant for Seasonal or Recreational Use (2014)	0.90%

Employment & Income

Labor Force (persons working in the area) (2014)	25,812
Unemployment Rate (2014)	6.6
Median Household Income (2014)	$48,959
Median Family Income (2014)	$66,261
Poverty Rate (2014)	18.9
Mean Travel Time to Work (minutes) (2014)	16.3

Population by Age, 2014

	Charleston, WV	Pct. of Total	West Virginia	Pct. of Total
Total	50,911	100%	1,853,881	100%
Preschool (0 to 4)	2,843	5.60%	103,044	5.60%
School Age (5 to 17)	7,385	14.50%	280,683	15.10%
College Age (18 to 24)	4,660	9.20%	171,540	9.30%
Young Adult (25 to 44)	12,762	25.10%	452,942	24.40%
Adult (45 to 64)	14,646	28.80%	534,047	28.80%
Older Adult (65 plus)	8,615	16.90%	311,625	16.80%
Median Age*	41.3		41.6	

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

*Median Age is averaged for combined areas

Population by Race and Hispanic Origin, 2014

	Charleston, WV	Pct. of Total	West Virginia	% of Total
Total	50,911	100%	1,853,881	100%
American Ind. or Alaskan Native Alone	49	0.10%	3,075	0.20%
Asian Alone	1,164	2.30%	13,144	0.70%
Black Alone	4,329	8.50%	59,129	3.20%
Native Hawaiian and Other Pac. Isl. Alone	0	0.00%	645	0.00%
White Alone	41,777	82.10%	1,735,816	93.60%
Two or More Race Groups	3,383	6.60%	36,921	2.00%
Hispanic or Latino				
Total Hispanic or Latino	756	1.50%	24,061	1.30%
Mexican	344	0.70%	10,952	0.60%
Cuban	22	0.00%	822	0.00%
Puerto Rican	128	0.30%	3,942	0.20%
Other	262	0.50%	8,345	0.50%

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Educational Attainment, 2014

	Charleston, WV	Pct. of Total	West Virginia	Pct. of Total
Total Population 25 and Older	36,023	100.00%	1,298,614	100.00%
Less Than 9th Grade	955	2.70%	71,979	5.50%
9th to 12th, No Diploma	2,311	6.40%	130,192	10.00%
High School Graduate (incl. equiv.)	9,622	26.70%	531,305	40.90%
Some College, No Degree	6,870	19.10%	238,733	18.40%
Associate Degree	2,104	5.80%	82,939	6.40%
Bachelor's Degree	7,245	20.10%	150,406	11.60%
Graduate or Professional Degree	6,916	19.20%	93,060	7.20%

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Households, 2014

	Charleston, WV	Pct. of Total	WV Households	Pct. of Total
Total Households	22,919	100.00%	742,359	100.00%
Family Households	12,027	52.50%	481,812	64.90%
Married with Children	2,881	12.60%	119,414	16.10%
Married without Children	5,333	23.30%	245,799	33.10%
Single Parents	2,033	8.90%	59,233	8.00%
Other	1,780	7.80%	57,366	7.70%
Non-family Households	10,892	47.50%	260,547	35.10%
Living Alone	9,452	41.20%	222,088	29.90%
Average Household Size	2.1		2.4	
Average Family Household Size	3		3	

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Housing units, 2014

	Charleston, WV	Pct. of Total	WV Units	Pct. of Total
Total Housing Units	25,975	100.00%	883,197	100.00%
Owner Occupied	13,775	53.00%	541,607	61.30%
Renter Occupied	9,144	35.20%	200,752	22.70%
Vacant For Seasonal or Recreational Use	231	0.90%	45,044	5.10%
1-Unit (Attached or Detached)	16,465	63.40%	548,791	62.10%
2 - 9 Units	3,672	14.10%	53,904	6.10%
10 - 19 Units	469	1.80%	12,595	1.40%
20 or more Units	2,209	8.50%	18,108	2.10%
Built prior to 1940	5,748	22.10%	144,144	16.30%

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Labor Force Averages, 2014

	Charleston, WV	WV
Total Labor Force	25,812	820,262
Employed	24,113	753,227
Unemployed	1,699	67,035
Unemployment Rate	6.6	8.2

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Commuting to Work, 2014

	Charleston, WV	Pct. of Total	West Virginia	Pct. of Total
Workers 16 years and over	24,113	100.00%	753,227	100.00%
Car, truck, or van -- drove alone	18,007	74.70%	606,215	80.50%
Car, truck, or van -- carpooled	2,643	11.00%	75,463	10.00%
Public transportation (including taxicab)	788	3.30%	5,501	0.70%
Walked	1,138	4.70%	20,967	2.80%
Other means	202	0.80%	7,413	1.00%
Worked at home	696	2.90%	20,879	2.80%
Mean travel time to work (minutes)	16		26	

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Resident Occupations, 2014

	Charleston, WV	Pct. of Total	West Virginia	Pct. of Total
Employed civilian pop. 16 years and over	25,812	100.00%	820,262	100.00%
Management, professional, and related	12,062	46.70%	236,908	28.90%
Service	4,054	15.70%	142,729	17.40%
Sales and office	5,298	20.50%	183,378	22.40%
Farming, fishing, and forestry	23	0.10%	3,358	0.40%
Construction, extraction, and maintenance	1,165	4.50%	88,410	10.80%
Production, transportation, and material moving	1,511	5.90%	98,444	12.00%

Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

WorkForce
WEST VIRGINIA

Earl Ray Tomblin, *Governor*
Russell L. Fry, *Acting Executive Director*
Keith Burdette, *Cabinet Secretary*

Kanawha County

Employment and Wages Annual Averages	2014			2013		
	Emp.	Total Wages	Avg. Annual Wage	Emp	Total Wages	Avg. Annual Wage
Total, All Industries	103,755	4,534,839,861	43,707	104,117	4,439,827,550	42,643
Total, Private Sector	82,357	3,606,715,381	43,794	82,794	3,523,855,172	42,562
Natural Resources and Mining	2,314	185,248,645	80,056	2,096	169,906,718	81,062
Construction	4,462	251,005,976	56,254	4,464	242,722,580	54,373
Manufacturing	3,321	218,725,885	65,861	3,322	213,875,897	64,382
Trade, Transportation, and Utilities	18,568	712,681,654	38,382	18,870	713,695,029	37,822
42 Wholesale trade	3,333	182,344,595	54,709	3,511	190,760,302	54,332
44-45 Retail trade	11,909	307,326,435	25,806	12,091	308,841,809	25,543
48-49 Transportation and warehousing	2,710	166,349,210	61,383	2,654	158,172,349	59,598
Information	1,670	90,554,895	54,224	1,568	81,227,244	51,803
Financial Activities	5,869	324,177,029	55,235	6,007	314,404,409	52,340
Professional and Business Services	13,154	619,484,584	47,095	13,240	607,750,922	45,903
Education and Health Services	19,491	923,324,172	47,372	19,516	896,833,759	45,954
Leisure and Hospitality	10,067	175,122,842	17,396	10,214	175,314,880	17,164
Other Services	3,441	106,389,699	30,918	3,497	108,123,734	30,919
Government	21,398	928,124,480	43,374	21,323	915,972,378	42,957
Federal Government	2,071	142,652,703	68,881	2,052	139,336,972	67,903
State Government	11,016	486,993,289	44,208	11,031	473,346,997	42,911
Local Government	8,311	298,478,488	35,914	8,240	303,288,409	36,807

Demographics (2010 Census)	
Total Population 2014	190,223
Total Population 2000	199,714
Total Population 1990	207,619
Total Population 1980	231,414
Total Population 1970	229,515
Sex and Age	
Male	92,381
Female	99,930
Ages 14 and below	32,859
Ages 15 to 19	10,901
Ages 20 to 24	10,961
Ages 25 to 34	23,788
Ages 35 to 44	23,668
Ages 45 to 54	28,500
Ages 55 to 64	28,808
Ages 65 and older	32,826
Median Age	42.3
Race	
White	181,169
Black or African American	10,407
American Indian and Alaska Native	9,540
Asian	2,684
Native Hawaiian and Other Pacific	143
Some other race	409
Two or more races	11,209

Top 10 Employers		
March 2014		
1	Charleston Area Medical Center, Inc.	
2	Kanawha County Board of Education	
3	Herbert J. Thomas Memorial Hospital Association	
4	Wal-Mart Stores, Inc.	
5	West Virginia Department of Highways	
6	The Kroger Company	
7	City of Charleston Municipality	
8	US Postal Service	
9	West Virginia Department of Health and Human Resources	
10	West Virginia Department of Administration	

Worker Commuting Patterns			
	Total	Male	Female
Number	85,419	44,128	41,291
Worked in state of residence:	84,514	43,385	41,129
Worked in county of residence	76,559	37,602	38,957
Worked outside county of residence	7,955	5,783	2,172
Worked outside state of residence	905	743	162

2010 American Community Survey 5-Year Estimates

Income		
Total Personal Income (000)	2013	$8,572,301
Percapita Personal Income	2013	$44,817
Household Income*		Number
Less than $10,000		5,970
$10,000 to $14,999		5,560
$15,000 to $$24,999		11,063
$25,000 to $34,999		8,484
$35,000 to $49,999		13,572
$50,000 to $74,999		15,413
$75,000 to $99,999		9,532
$100,000 to $149,000		7,928
$150,000 or more		5,234
Median Household Income (2013)		46,085

US Census Bureau

Data Sources

http://lmi.workforcewv.org

http://bls.gov

http://census.gov

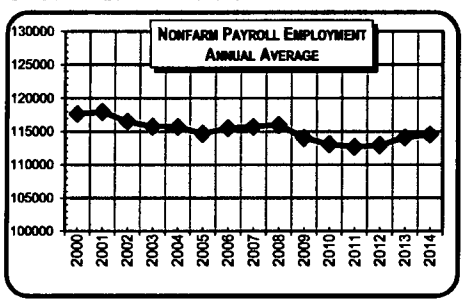
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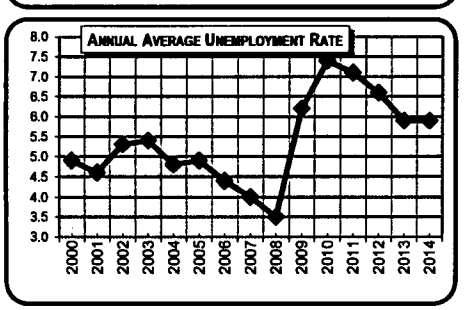
WorkForce WEST VIRGINIA

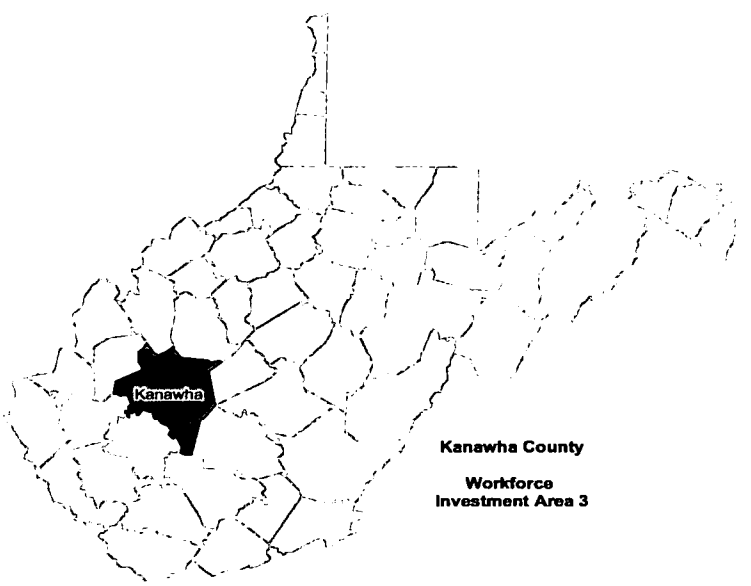
Earl Ray Tomblin, *Governor*
Russell L. Fry, *Acting Executive Director*
Keith Burdette, *Cabinet Secretary*

Kanawha Charleston															
Labor Force Statistics	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Civilian Labor Force	97,310	96,760	94,370	91,510	90,930	90,680	91,500	92,040	92,750	92,520	92,600	91,700	91,460	89,550	88,300
Total Employment	92,510	92,350	89,370	86,590	86,590	86,270	87,480	88,360	89,480	86,740	85,770	85,210	85,420	84,260	83,110
Total Unemployment	4,810	4,410	5,000	4,920	4,340	4,410	4,010	3,680	3,260	5,780	6,840	6,490	6,040	5,290	5,190
Unemployment Rate	4.9	4.6	5.3	5.4	4.8	4.9	4.4	4.0	3.5	6.2	7.4	7.1	6.6	5.9	5.9
Total Nonfarm Payroll Employment by Industry	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Nonfarm Payroll Employment	117,670	117,930	116,510	115,740	115,700	114,670	115,520	115,710	115,990	114,020	113,120	112,720	112,960	114,120	114,570
Total Private	96,330	96,060	94,250	93,380	93,330	92,110	93,490	93,690	94,060	91,990	91,200	90,870	91,130	91,990	92,330
Goods Producing	14,420	14,270	13,200	12,430	12,410	11,920	12,470	12,240	12,230	11,160	10,620	10,600	10,220	10,180	10,520
Mining and Logging	1,920	2,340	2,250	2,210	2,330	2,530	2,920	3,000	3,140	2,860	**	**	**	**	**
Construction	4,820	4,930	4,850	4,660	4,780	4,730	5,140	5,180	5,210	4,790	4,940	4,810	4,540	4,750	4,830
Manufacturing	7,690	7,000	6,100	5,560	5,300	4,660	4,410	4,070	3,880	3,510	**	**	**	**	**
Service Providing	103,250	103,660	103,310	103,310	103,290	102,740	103,050	103,470	103,760	102,850	102,500	102,120	102,750	103,940	104,050
Private Service Providing	81,910	81,800	81,060	80,950	80,920	80,190	81,020	81,450	81,830	80,830	80,580	80,270	80,910	81,810	81,810
Trade, Transportation and Util	22,830	21,950	21,490	21,110	21,220	21,100	21,230	21,340	20,960	19,960	19,380	19,290	19,250	19,230	18,940
Wholesale Trade	4,450	4,470	4,320	4,170	4,100	4,220	4,420	4,430	4,140	3,940	3,710	3,620	3,540	3,680	3,570
Retail Trade	14,030	13,330	13,180	13,060	13,240	12,940	12,850	12,850	12,640	12,210	12,000	12,050	12,210	12,080	11,900
Transport, Warehousing & Util	4,350	4,150	3,990	3,880	3,880	3,940	3,960	4,060	4,180	3,810	3,670	3,610	3,510	3,470	3,470
Information	3,670	3,580	3,270	3,030	2,880	2,600	2,410	2,370	2,300	2,020	1,790	1,580	1,550	1,580	1,710
Financial Activities	7,300	7,400	7,290	7,600	7,110	6,650	7,190	7,100	7,140	7,080	6,940	6,790	6,950	7,270	7,450
Profess and Business Serv	13,940	13,300	12,790	12,160	12,300	12,240	12,580	12,670	12,820	12,500	13,010	13,270	13,490	13,870	14,150
Education and Health Serv	15,770	16,720	17,280	17,670	18,170	18,260	18,350	18,720	19,240	19,910	20,360	20,360	20,270	20,460	20,330
Leisure and Hospitality	9,600	9,530	9,650	10,170	9,980	10,120	10,140	10,080	10,150	10,190	10,060	10,030	10,240	10,220	10,070
Other Services	8,810	9,320	9,300	9,210	9,260	9,220	9,130	9,170	9,230	9,180	9,050	8,960	9,160	9,190	9,160
Total Government	21,340	21,860	22,250	22,360	22,370	22,550	22,030	22,030	21,930	22,020	21,920	21,850	21,830	22,130	22,240
Federal	2,470	2,400	2,510	2,510	2,430	2,430	2,370	2,460	2,360	2,240	2,070	2,000	2,020	2,050	2,070
State	10,640	11,260	11,440	11,530	11,560	11,670	11,040	10,970	11,070	11,200	11,300	11,220	11,240	11,210	11,200
Local	8,230	8,210	8,300	8,320	8,380	8,450	8,620	8,600	8,500	8,590	8,550	8,630	8,570	8,870	8,980

Benchmark 2014 *** not available*







APPENDIX B

THE SYSTEM

APPENDIX B

THE SANITARY BOARD

The Charleston Sanitary Board ("CSB") is a municipal sewer utility serving Charleston and adjacent areas of Kanawha County, WV and was created by the City of Charleston by an ordinance passed on March 17th, 1952.

The CSB operates a wastewater collection system and treatment plant that provides service for approximately 23,147 customers. The CSB owns, maintains, and operates approximately:

- 300 miles of sewage collection lines
- 85 pumping stations
- 5,500 manholes
- 1 treatment plant with a sustained treatment rate capacity of 14 mgpd

The plant treatment process is preliminary, primary clarification, high purity oxygen activated sludge, digestion, secondary clarification and ultra violet disinfection. The treatment plant hydraulic capacity rate is 28 million gallons per day. With an installed recombination line, CSB can short-term fully treat at a rate of 21 mgpd. Average flow rate is 10 mgpd.

The CSB operates five divisions, Administration, Plant Operation, Pumping Station Operation, Engineering and Collection System Operation.

The CSB Board is comprised of the Mayor as ex-officio chairman, and two members appointed by City Council to staggered terms. Board members are prohibited from holding other public offices and from employment by the Issuer. Board members are compensated by the Board subject to approval by City Council. The System is required to be administered by a full time General Manager appointed by the Board to serve in such capacity for an indefinite term. Duties of the General Manager include submission and administration of the budget, enforcement of laws pertaining to the System, collection of revenues, purchase of System equipment and supplies, and performance of all other acts required of the chief executive officer of the Board.

The Board's members and their offices and terms are as follows:

Member	Term Starts	Term Ends
Mayor Danny Jones, Chairman	06/15/2015	01/06/2019
John Tinney, Jr.	03/17/2015	03/17/2018
John (Mike) Johnson	08/15/2013	03/17/2016 (serving on expired term)

CUSTOMER BACKGROUND

Customer Count and Gallons

FISCAL YEAR	RESIDENTIAL	GALLONS (000 OMITTED)
2008	23,960	2,190,155
2009	23,990	2,082,385
2010	23,986	1,880,692
2011	23,932	1,938,867
2012	23,911	1,901,627
2013	23,805	1,866,462
2014	23,497	1,776,368
2015	23,147	1,766,588

Source: The Board

Major Users

Top Ten Customers Measured by Usage and Amount Billed
July 1, 2014 to June 30, 2015

CUSTOMER	GALLONS	AMOUNT BILLED
CAMC	117,799,400	$1,409,443.95
Charleston Housing Authority	27,353,300	$349,682.56
United Dairy	23,274,000	$278,564.95
WV Regional Jail	19,842,000	$237,483.94
WV Waste	16,385,200	$164,574.64
Marriott	13,706,600	$164,043.18
Fairfield Inn	13,271,100	$158,830.25
St Francis Hospital	12,123,700	$145,095.86
Kanawha Valley Mem Hosp	11,984,500	$143,429.65
Embassy Suites	11,682,400	$139,813.48

Source: The Board

BOARD PERSONNEL

The District employs approximately 78 full-time employees. Senior managers include: Larry Roller, General Manager; Crystal Sanders, Finance Manager; and Tim Haapala, Operations Manager. They have extensive experience in their current positions and in their industry sectors.

BILLING AND COLLECTIONS

The Board renders a monthly bill to all customers based upon water usage. Payments are due 20 days after the billing date. If a bill remains unpaid beyond the due date, a penalty is added to the delinquent account and delinquency procedures are initiated, including the mailing of termination notices, courtesy calls and finally disconnection of water service. Service on delinquent accounts remain terminated until payment of the account is made.

METHOD OF ACCOUNTING

The Board maintains its accounts pertaining to the System on an accrual basis and in accordance with generally accepted accounting principles. The accounting records of the Board have been audited annually for the fiscal years ended June 30, 2012, 2013, 2014 and 2015 by Balestra, Harr & Scherer, CPAs, Inc. See Appendix C - AUDITED FINANCIAL STATEMENTS, regarding the fiscal years ended June 30, 2014 and June 30, 2015.

SYSTEM BUDGET AND EXPENDITURES

An operating budget is prepared annually by the CSB staff and is approved by CSB Board.

FUTURE PROJECTS/FINANCINGS

The Board operates under the guidelines of an extensive Long Term Control Plan that recommends upgrades, line replacements and combined sewer overflow projects. Most projects are funded within the Board's budget each year. When additional funds are necessary, the Board seeks funding from the State Revolving Fund and other State sources. The Board anticipates that rate increases will continue to be required every four (4) years to fund portions of these improvements. Current rates are adequate to provide funding to support the bonds to be issued for this project. Other than the 2016 project (Porters Hollow), no major debt borrowing is being considered.

HISTORICAL REVENUES, EXPENSES AND COVERAGES

CHARLESTON SANITARY BOARD (WV)
Five Year Historic Coverage Ratio

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Operating Revenue	$ 17,911,932	$ 19,689,693	$ 22,924,988	$ 21,686,813	$ 21,282,509
Total Operating Expenses	$ 13,114,726	$ 13,594,799	$ 14,171,370	$ 15,205,142	$ 15,143,241
	$ 4,797,206	$ 6,094,894	$ 8,753,618	$ 6,481,671	$ 6,139,268
Total Other Revenue	177,467	233,814	158,855	149,260	125,595
Total Other Expenses	2,822,863	2,765,312	2,679,977	3,124,882	3,177,393
Capital Contributions	-	27,430	18,050	75,963	100,931
Extraordinary Item	-	-	2,648,415	-	-
Change in Net Position	$ 2,151,810	$ 3,590,826	$ 8,898,961	$ 3,582,012	$ 3,188,401
Maximum Annual Debt Service	$ 5,215,979	$ 6,506,999	$ 7,087,667	$ 7,087,667	$ 7,087,667
Debt Service Coverage	175%	161%	222%	168%	164%

Source: Board audits

BENEFITS

The Board offers a variety of benefits including heath care coverage, a Deferred Compensation Plan, a Post-Employment Healthcare Plan, and a Pension Plan. .

Pension Plan (from the 2015 Audit) - The Board's defined benefit pension plan, West Virginia Public Employees Retirement System (PERS), provides pensions for all participating employees of the Board. The PERS Plan is a statewide, cost-sharing, multiple-employer, defined benefit retirement plan for public employees, established on July 1, 1961. All employees of the State of West Virginia and of any political subdivision whose governing body elects to participate are required (with certain exceptions) to become members. The PERS Plan is managed by a Board of Trustees, which consist of the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration, together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: four residents of the State who are not participants in the retirement plans, one State and one non-State employee participant in PERS, and one participant each from TRS, SPDDRS, SPRS, DSRS, EMSRS, MPFRS, and TDCRS. PERS issues a publicly available financial report that can be obtained at www.wvretirement.com.

Pension Plan Contributions (from the 2015 Audit) - Contribution rates for the PERS plan are subject to Chapter 5, Article 10 of the West Virginia State Code. While contribution rates are legislatively determined, actuarial valuations are performed to assist the Consolidated Public Employees Retirement Board and the state legislature in determining contribution rates. Employees are required to contribute 4.5% of annual earnings. Employers' contribution rates were 14.5% and 14.0% of covered employees' annual earnings for the fiscal years ending June 30, 2014 and 2013, respectively. Effective July 1, 2014 employer contribution rates decreased to 14.0% of members annual earnings. Contributions to the pension plan from the Board were $514,307 for the year ended June 30, 2015.

Deferred Compensation – In accordance with Internal Revenue Code Section 457, the plan is available to all full-time Board employees at their option and permits a portion of their salary to be deferred until future years.

APPENDIX F

FORMS OF ORDINANCE AND SUPPLEMENTAL RESOLUTION

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

THE CITY OF CHARLESTON

SEWERAGE SYSTEM
BOND SUPPLEMENTAL ORDINANCE

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Bill No. _____

Ordinance No._____

Introduced in Council: Referred to:

_____ _____

Introduced by: Passed by Council:

_____

A Bill supplementing Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, and by Ordinance No. 7560 passed by the Council on February 19, 2013; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

Be It Ordained by the Council of The City of Charleston, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and other applicable provisions of law, and as a supplement to Ordinance No. 4423 passed by the Council of The City of Charleston (the "Council") on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349, passed by the Council on June 2, 1997, and by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, and by Ordinance No. 7560 passed by the Council on February 19, 2013 (collectively, the "Prior Ordinances").

Section 1.02. Findings. It is hereby found, determined and declared as follows:

A. The City of Charleston, West Virginia (the "City" or the "Issuer"), now owns a sewerage system (the existing system, the Project, as hereinafter defined and any additions, extensions, and improvements thereto is hereinafter, the "System"), both within and without the corporate limits of the City, consisting of a sewage treatment plant or plants and its collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations and ejector stations and all other appurtenances, extensions, improvements and betterments necessary, appropriate, useful, convenient or incidental for the collection, treatment, purification and disposal in a sanitary manner of liquid and solid waste, sewage and industrial waste.

B. In accordance with Section 2 of the Act, the System is under the supervision and control of the Sanitary Board of the City (the "Sanitary Board").

C. The Sanitary Board has presented a petition to the City for the design, acquisition and construction of certain extensions, additions, betterments and improvements to the System (the "Project") as more fully described on Exhibit A, the enactment of this Ordinance and the issuance of the sewerage system revenue bonds (the "Series 2016 A Bonds") to pay the cost of the Project.

D. The estimated maximum cost of design, acquisition and construction of the Project is not to exceed $18,000,000 (including all financing related costs), which will be obtained from the proceeds of the Series 2016 A Bonds herein authorized.

E. The acquisition and construction of the System were financed or refinanced with proceeds of certain obligations of the City, which obligations are designated and have lien positions as follows:

	Designation	Lien Position
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien

11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
12.	$5,160,000 Sewerage System Refunding Revenue Bonds, Series 2002 B, dated December 1, 2002 (the "Series 2002 B Bonds").	First Lien
13.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
14.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
15.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
16.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
17.	Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	$11,613,300 Sewerage System Revenue First Lien
18.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
19.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
20.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
21.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien

22.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
23.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1993 A Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 B Bonds, the Series 2004 A Bonds, the Series 2005 A Bonds, the Series 2008 A Bonds, the Series 2011 A Bonds and the Series 2013 A Bonds are collectively referred to as the "First Lien Bonds." The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds, the Series 2001 C Bonds, the Series 2005 B-1 Bonds and the Series 2005 B-2 Bonds are collectively referred to as the "Second Lien Bonds," which are subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds."

F. The City derives revenues from the System, and, except for the pledges thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

G. It is necessary and essential to design, acquire and construct the Project, generally described on Exhibit A hereto and incorporated herein by reference, in order to preserve the public health, to be financed through the issuance of the Bonds, in the aggregate principal amount not to exceed $18,000,000 (including financing costs). The period of usefulness of the System after completion of the Project is not less than 40 years.

H. The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2016 A Bonds and all funds and accounts and other payments provided for in this Ordinance and the Prior Ordinances.

I. The Series 2016 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in a Supplemental Resolution or as deemed necessary by the Registrar or the City.

J. All things necessary to make the Series 2016 A Bonds, when authenticated by the Registrar and issued as in this Ordinance and the Supplemental Resolution provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2016 A Bonds, will be timely done and duly performed.

K. The enactment of this Ordinance, and the execution and issuance of the Series 2016 A Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the City is a party or by which it may be bound or affected.

L. The City is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 2016 A Bonds are to be used for local government activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City).

M. It is deemed necessary for the City to issue the Series 2016 A Bonds in the aggregate principal amount of not more than $18,000,000, to permanently finance the costs of design, acquisition and construction of the Project, fund capitalized interest, if any, fund the reserve account and pay costs of issuance. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; repayment of any interim financing notes; interest on the Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; engineering and legal expenses; expenses for estimates of cost and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees or expenses of the Original Purchaser, commitment fees, premiums for municipal bond insurance policy, debt service reserve account policy, or debt service reserve surety bond; letter of credit fees; underwriter's discount; rating agency fees; initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City or Sanitary Board for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of the indebtedness incurred by the City or Sanitary Board for such purposes shall be deemed part of the Cost of the Project.

N. It is in the best interests of the City that the Series 2016 A Bonds be sold to the Original Purchaser pursuant to the terms and provisions set forth in the Supplemental Resolution.

O. Prior to the issuance of the Series 2016 A Bonds, the City shall obtain (i) a certificate from an independent certified public accountant stating that the coverage and parity tests of the First Lien Bonds have been met; and (ii) if required, the written consent of the registered owners, of the Prior Bonds to the issuance of the Bonds on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds. The Series 2016 A Bonds shall be issued with a lien on the Net Revenues on a parity with the lien held by the registered owners of the First Lien Bonds, but the lien of the Bonds shall be senior and superior to the lien of the registered owners of the Second Lien Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the City which are secured by revenues or assets of the System.

P. The City has complied with all requirements of West Virginia law relating to the authorization of the design, acquisition, construction and operation of Project and the System and issuance of the Series 2016 A Bonds, or will have so complied prior to the issuance of any of the Series 2016 A Bonds.

Q. The City will not permit, at any time, any of the proceeds of the Series 2016 A Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the inclusion of interest on the Series 2016 A Bonds in the gross income of the owners thereof for federal income tax purposes.

R. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2016 A Bonds authorized to be issued hereunder by those who shall own the same from time to time, the Ordinance shall be deemed to be and shall constitute a contract between the City and such Registered Owners, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds issued hereunder, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. Except as provided below, terms used in this Supplemental Ordinance have the meanings set forth in the Prior Ordinances, as supplemented by this Supplemental Ordinance, unless the context expressly requires otherwise.

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

"Authority" means the West Virginia Water Development Authority, which may be one of the original purchasers and Registered Owners of the Series 2016 A Bonds on behalf of the WDA Program, or any other agency of the State of West Virginia that succeeds to the function of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any other officer of the Issuer specifically designated by ordinance or resolution of the Council of the Issuer.

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the City or the Sanitary Board, and shall initially mean Jackson Kelly PLLC, Charleston, West Virginia.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2016 A Bonds and which shall be designated

as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in this Ordinance to the Bond Insurer shall be null and void and have no force and effect.

"Bond Purchase Agreement" means the Bond Purchase Agreement by and between the Original Purchaser and the City, providing for the purchase of all of the Series 2016 A Bonds from the City by the Original Purchaser, the form of which will be attached as an exhibit to the Supplemental Resolution.

"Bond Register" means the books of the City maintained by the Registrar for the registration and transfer of the Series 2016 A Bonds.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year except that the first Bond Year shall begin on the Closing Date.

"Bondholder" or "Holder of the Bonds" or "Owner of the Bonds" or "Registered Owner" or any similar term means any person who shall be the Registered Owner of any Outstanding Bond as hereinafter defined.

"Bonds" means the Series 2016 A Bonds, the Prior Bonds and any future bonds issued by the City for the System.

"Bonds Construction Trust Fund" means the Bonds Construction Trust Fund created by Section 4.01 D hereof.

"City Clerk" means the City Clerk of the City.

"Closing Date" means the date or dates upon which there is an exchange of the Series 2016 A Bonds for the proceeds of the Bonds from the Original Purchaser.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

"Consulting Engineers" means Burgess & Niple, Parkersburg, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the City as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs of the Project" means those costs described in Section 1.02(M) hereof to be a part of the cost of the design, acquisition, construction and financing of the Project.

"Council" or "City Council" means the Council of the City.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and its successors and assigns.

"DTC" means The Depository Trust Company, New York, New York.

"DTC-eligible" means, with respect to the Series 2016 A Bonds, meeting the qualifications prescribed by DTC.

"EMMA" means the Electronic Municipal Market Access website, a service provided by the MSRB.

"Fiscal Year" means each twelve month period beginning on July 1 and ending on the succeeding June 30.

"Independent Accountants" or "Independent Certified Public Accountants" means any firm of certified public accountants which shall be retained by the City as independent accountants for the System.

"Mayor" means the Mayor of the City.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2016 A Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 2016 A Bonds, in accordance with the terms thereof.

"MSRB" means the Municipal Securities Rulemaking Board.

"Ordinance" means the Prior Ordinances, as previously defined, as supplemented by this Supplemental Ordinance and as further amended or supplemented. Unless the context clearly requires a different meaning, reference to "this Ordinance" in the Prior Ordinances means the Ordinance.

"Original Purchaser" means either (1) the Authority which is expected to be the purchaser of the Bonds directly from the City, (2) a firm or firms of underwriters, or (3) a private placement bank as determined by a resolution supplemental hereto.

"Outstanding" when used with reference to Bonds, as of any particular date, describes all such Bonds theretofore and thereupon being authenticated and delivered, except (i) any such Bond canceled by the Registrar, at or prior to said date; (ii) any such Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity of any such Bond, shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any such Bond deemed to have been paid as provided in Section 6.13 hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any such Bond registered to the City.

"Paying Agent" means the West Virginia Municipal Bond Commission or other entity designated as such for the Bonds in the Supplemental Resolution.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account, all as determined by the Code.

"Project" means the extensions, additions, betterments and improvements to the existing sewerage system of the City described in Exhibit A attached hereto.

"Purchase Price," for the purpose of computation of the Yield of the Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Bonds are privately placed, the price paid by the first buyer of the Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

"Rebate Fund" means the Rebate Fund created by Section 6.11 hereof.

"Redemption Account" means the Redemption Account for the Series 2016 A Bonds created by Section 4.03 hereof.

"Redemption Date" means, collectively, the dates fixed for the redemption of the Series 2016 A Bonds called for redemption.

"Redemption Price" means, collectively, the prices at which the Series 2016 A Bonds may be called for redemption and includes the principal amount of the Series 2016 A Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registrar" means the entity named as such in the Supplemental Resolution.

"Regulations" means the temporary and permanent regulations promulgated under the Code.

"Reserve Account" means, collectively, one or more reserve accounts for the Bonds created by Section 4.03 hereof.

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Prior Bonds and the Series 2016 A Bonds.

"Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2016 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2016 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2016 A Bonds.

"Series 2016 A Bonds" means the not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds of the City, authorized by this Ordinance to be issued in one or more series as designated in the Supplemental Resolution. If issued in more than one series, the letter designations of the Series 2016 A Bonds shall be as set forth in the Supplemental Resolution.

"Sinking Fund" means, collectively, one or more Sinking Funds for the Bonds created by Section 4.03 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds created for the Prior Bonds and the Series 2016 A Bonds.

"State" means the State of West Virginia.

"Supplemental Ordinance" or "this Ordinance" means this ordinance as hereafter amended or supplemented.

"Supplemental Resolution" means any resolution, ordinance or order of the City supplementing or amending this Ordinance and, when preceded by the article "the", refers specifically to the supplemental resolutions authorizing the sale of one or more series of the Series 2016 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2016 A Bonds and not so included may be included in another Supplemental Resolution.

"System" means the complete existing sewerage system now owned by the City and managed by the Sanitary Board, consisting of a sewerage treatment and collection system, and shall include any extensions, additions, betterments and improvements thereto, including the Project, hereafter acquired or constructed for the sewerage system from any sources whatsoever, both within and without the City.

"Term Bonds" means the Series 2016 A Bonds subject to mandatory sinking fund redemption as provided in the Supplemental Resolution and as described in Section 3.11 hereof.

"WDA Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of the water development revenue bonds of the Authority.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Words importing the masculine gender include all other genders.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with general accepted accounting principles.

The terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of the enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

Section 2.01. Authorization of Extensions, Additions, Betterments and Improvements. There is hereby authorized and ordered the design, acquisition and construction of the Project at an estimated cost of not to exceed $18,000,000 (including financing costs), in accordance with plans and specifications prepared by the Consulting Engineers, approved by the City, and on file in the office of the Sanitary Board.

Prior to the issuance of the Series 2016 A Bonds, the City will have received bids for the design, acquisition and construction of the Project which are in an amount and otherwise compatible with the financing plan approved by the Sanitary Board.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Bonds. For the purposes of capitalizing interest on the Series 2016 A Bonds, funding the Reserve Account for the Series 2016 A Bonds, paying Costs of the Project not otherwise provided for, paying costs of issuance of the Series 2016 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the Series 2016 A Bonds of the City. The Series 2016 A Bonds shall be issued in one or more series as set forth in the Supplemental Resolution, designated as "Sewerage System Revenue Bonds", in an aggregate principal amount of not more than $18,000,000. The Series 2016 A Bonds shall be issued in such principal amounts, shall have the series designation, shall be dated as of the date of delivery thereof, shall bear interest at such rate or rates, not exceeding the then legal maximum rate, and shall mature at such times and in such amounts as shall be set forth in the Supplemental Resolution. The repayment of principal and interest on the Series 2016 A Bonds shall be as set forth in the Supplemental Resolution. The Series 2016 A Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and as the Council of the City shall prescribe by resolution (or by supplemental or amendatory ordinance of said Council as said Council shall determine) adopted in connection with the sale of such Bonds.

A. If the Series 2016 A Bonds are sold to the Authority, they shall be payable as to principal at the office of the Paying Agent in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2016 A Bonds shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar.

B. If the Series 2016 A Bonds are sold to an Original Purchaser other than the Authority, then any Series 2016 A Bonds issued pursuant to this Ordinance may be issued only as fully registered Series 2016 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Series 2016 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2016 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided, however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Bonds issued in exchange for Series 2016 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2016 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2016 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2016 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

Each series of Series 2016 A Bonds shall be issued in fully registered form, in such denominations and shall have such terms as set forth in the Supplemental Resolution. The Series 2016 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bonds in aggregate principal amount equal to the amount of the Series 2016 A Bonds then Outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of the Bonds.

Section 3.02. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Series 2016 A Bonds shall cease to be such officer of the City before the Series 2016 A Bonds so signed and sealed have been sold and delivered, such Series 2016 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2016 A Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Series 2016 A Bonds, shall hold the proper office in the City, although at the date of such Series 2016 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2016 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in

the form set forth in the Supplemental Resolution, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2016 A Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2016 A Bonds shall be, and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Registered Owner, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide owner for value.

So long as any of the Series 2016 A Bonds remain Outstanding, the City, through the Registrar, shall keep and maintain books for the registration and transfer of the Series 2016 A Bonds.

Bonds shall be transferable only upon the books of the Registrar, by the Registered Owner thereof in person or by the Registered Owner's attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or the Registered Owner's duly authorized attorney.

In all cases in which the privilege of exchanging Series 2016 A Bonds or transferring Series 2016 A Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the City. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016 A Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Series 2016 A Bond in exchange and substitution for such mutilated Series 2016 A Bond, upon surrender and cancellation of such mutilated Series 2016 A Bond, or in lieu of and substitution for the Series 2016 A Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the City proof of ownership thereof and satisfactory

indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Series 2016 A Bond. All Series 2016 A Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Series 2016 A Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Series 2016 A Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Series 2016 A Bonds be at any time found by anyone, and such duplicate Series 2016 A Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Series 2016 A Bonds issued hereunder.

Section 3.06. Bonds not to be Indebtedness of the City. The Series 2016 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the City within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided on a parity with the First Lien Bonds but senior and superior to the Second Lien Bonds. No Registered Owner of the Series 2016 A Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or any interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2016 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the First Lien Bonds but senior and superior to the Second Lien Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2016 A Bonds and the Prior Bonds and to make the payments into the sinking funds and the reserve accounts therein and in the Renewal and Replacement Fund established herein or in the Prior Ordinances are hereby irrevocably pledged to the payment of the principal of and any interest on the Series 2016 A Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bonds. The text of the Series 2016 A Bonds shall be substantially as set forth in the Supplemental Resolution, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof.

Section 3.09. Sale of Bonds. The Series 2016 A Bonds shall be sold pursuant to the terms and conditions of a Bond Purchase Agreement as set forth in the Supplemental Resolution.

Section 3.10. Bonds are Issued as Parity Bonds. The Series 2016 A Bonds are issued as and shall constitute additional Parity Bonds in accordance with the Prior Ordinances. Prior to the issuance of the Series 2016 A Bonds, the following must occur:

A. The City must receive the written consent of the Authority for the issuance of parity bonds.

B. The coverage and parity requirements of the Prior Ordinances must be satisfied.

C. The Series 2016 A Bonds shall not be issued unless all the payments into the respective funds and accounts provided for in the Prior Ordinances on account of the Prior Bonds and any other payments provided for in the Prior Ordinances, shall have been made in full as required to the date of delivery of the Bonds.

Section 3.11. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, as provided by the Supplemental Resolution, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the City from the Revenue Fund and into the Redemption Account for the Series 2016 A Bonds in accordance with Section 4.03 hereof shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Series 2016 A Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the City may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The City shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account for the Series 2016 A Bonds to purchase Term Bonds at a price less than the par value

thereof and accrued interest thereon. The Bond Commission shall advise the City and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Sinking Funds of the Bonds), as will exhaust as nearly as practicable the Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.12. Notice of Redemption. Unless waived by any Registered Owner of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, if any, the Original Purchaser and the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2016 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be posted on EMMA.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

If funds sufficient to redeem all Series 2016 A Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys are not so deposited, the Registrar shall notify all Registered Owners of such Bonds called for redemption of such fact. Failure to deposit such moneys and redeem the Bonds called for optional redemption shall not constitute an Event of Default under the Ordinance.

Official notice of redemption having been given as aforesaid, the Series 2016 A Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2016 A Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Series 2016 A Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2016 A Bond, there shall be prepared for the Registered Owner a new Series 2016 A Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Series 2016 A Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.13. Persons Treated as Owners. The City, the Registrar, the Paying Agent and any agent of the City, the Registrar or the Paying Agent may treat the person in whose name any Bond is registered as the Registered Owner of such Series 2016 A Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, whether or not such Series 2016 A Bond is overdue.

Section 3.14. [Reserved]

Section 3.15. Delivery of Bonds. The City shall execute and deliver the Series 2016 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2016 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) (1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2016 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver the Series 2016 A Bonds to the Original Purchaser;

(C) Copies of this Ordinance and the Supplemental Resolution certified by the City Clerk; and

(D) The unqualified approving opinion of Bond Counsel regarding the Series 2016 A Bonds.

(E) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

Section 3.16. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.17. Book Entry System for Series 2016 A Bonds. A. If the Supplemental Resolution provides for registration in the name of CEDE & CO., the following provisions shall apply. The Series 2016 A Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2016 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in Paragraph E below, all of the Series 2016 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2016 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2016 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2016 A Bond or any other evidence of ownership of the Series 2016 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2016 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in Paragraph E below.

B. At or prior to settlement for the Series 2016 A Bonds, the City and, if required, the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar

shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2016 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2016 A Bonds shall be made to DTC or its nominee as required by DTC. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2016 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2016 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2016 A Bonds so redeemed, but DTC may retain such Series 2016 A Bonds and make an appropriate notation on the Series 2016 A Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2016 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2016 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2016 A Bonds, selecting the Series 2016 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2016 A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2016 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2016 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2016 A Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2016 A Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2016 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2016 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2016 A Bonds. In either of such events (unless in the case described in clause (i) above, the City appoints a successor securities depository), the Series 2016 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall

cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 A Bonds.

ARTICLE IV

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Application of Bond Proceeds. Upon the issuance and delivery of the Series 2016 A Bonds, the City shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2016 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2016 A Bonds Sinking Fund and applied to payment of interest on the Series 2016 A Bonds at the first interest payment date.

2. If a Municipal Bond Insurance Policy has been obtained to secure the payment of the principal of, and interest on, the Series 2016 A Bonds, the premium for such Municipal Bond Insurance Policy shall be paid to the Bond Insurer via wire transfer.

3. An amount of the proceeds of the Series 2016 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2016 A Bonds Reserve Account; provided, that to the extent the Series 2016 A Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt serve reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2016 A Bonds shall be deposited in the Series 2016 A Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2016 A Bonds Reserve Requirement.

4. The amount of Series 2016 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2016 A Bonds shall be deposited with the Depository Bank in the Series 2016 A Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2016 A Bonds at the written direction of the City. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2016 A Bonds, such unapplied proceeds shall be transferred by the City to the Series 2016 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2016 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2016 A Bonds from which such proceeds are derived.

5. The balance of Series 2016 A Bonds proceeds, if any, shall be deposited in the Series 2016 A Bonds Construction Fund and disbursed as provided in Section 4.02 hereof.

Section 4.02. Disbursements From the Bond Construction Trust Fund. Except as provided in Section 4.01 hereof, disbursements from the Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Sanitary Board of the following:

A certificate, signed by the general manager of the Sanitary Board and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursements theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the City.

The City shall expend all proceeds of the Bonds within 3 years of the date of issuance of the Bonds.

Section 4.03. Funds and Accounts; Flow of Funds. The funds and accounts established by the Prior Ordinances are hereby continued. In addition to the funds and accounts established by the Prior Ordinances, there are hereby created at the Commission the Series 2016 A Sinking Fund and the Series 2016 A Reserve Account with respect to the Series 2016 A Bonds. Following the monthly payment of Operating Expenses, the City shall make monthly payments to the Commission for the Prior Bonds as required under the Prior Ordinances. The monthly payments to the Commission for the Series 2016 A Bonds shall be as follows:

(1) Simultaneously with the interest payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also deposit with the Commission in the Series 2016 A Bonds Sinking Fund on the first day of each month, commencing 4 or 7 months prior to the first interest payment date of the Bonds, an amount equal to $1/3^{rd}$ or $1/6^{th}$ of the amount of interest which will become due on the Bonds on the next ensuing quarterly or semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next quarterly or semiannual interest payment date is less than 4 or 7 months, then such monthly or semiannual payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) Simultaneously with the principal payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also

deposit with the Commission in the Series 2016 A Bonds Sinking Fund (or applicable redemption account) on the first day of each month, commencing 4 or 13 months prior to the first principal payment date of the Bonds, an amount equal to 1/3rd or 1/12th of the amount of principal which will mature and become due on the Bonds on the next ensuing quarterly or annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2016 A Bonds Sinking Fund and the next annual principal payment date is less than 4 or 13 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next annual or quarterly principal payment date, the required amount of principal coming due on such date.

(3) Simultaneously with the reserve account payments made pursuant to the Ordinance and the Prior Ordinances with respect to the First Lien Bonds, the City shall also deposit with the Commission in the Series 2016 A Bonds Reserve Account, if not fully funded upon issuance of the Bonds, on the first day of each month, commencing on the date provided in the Supplemental Resolution, an amount equal to 1/120th of the Series 2016 A Bonds Reserve Requirement, until the amount in the Series 2016 A Bonds Reserve Account equals the Series 2016 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2016 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 A Bonds Reserve Requirement.

(4) The City shall next make the interest payments pursuant to the Ordinance and the Prior Ordinances with respect to the Second Lien Bonds.

(5) The City shall next make the principal payments pursuant to the Ordinance and the Prior Ordinances with respect to the Second Lien Bonds.

(6) The City shall next make the reserve account payments made pursuant to the Ordinance and the Prior Ordinances with respect to the Second Lien Bonds.

(7) The City shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in accordance with the Ordinance. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, or improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the respective Sinking Funds shall be used only for the purposes of paying principal of and interest on the respective series of Bonds as the same shall become due. Moneys in the respective Reserve Accounts shall be used only for the purposes of paying

principal of and interest on the respective series of Bonds as the same shall become due, when other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the respective Reserve Accounts shall be transferred, not less than once each year, to the Bonds Construction Trust Fund prior to completion of the Project and thereafter, to the respective Sinking Funds.

Any withdrawals from the respective Reserve Accounts which result in a reduction in the balance therein to below the applicable reserve requirement shall be subsequently restored from the first Net Revenues available after all required payments to the respective Sinking Funds for payment of debt service on the Bonds have been made in full.

Moneys in the Sinking Funds and the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 4.04 hereof.

If, on any monthly payment date, the revenues are insufficient to place the required amount in any of the funds or accounts as provided herein and in the Prior Ordinances, the deficiency shall be made up in subsequent payments, in addition to the payments which would otherwise be required to be made into the funds and accounts on subsequent payment dates.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds and the Bonds and thereafter, with respect to the Second Lien Bonds, in accordance with the respective principal amounts then Outstanding.

The City shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payments.

Except as provided above and in the Supplemental Resolution, all sinking fund, reserve account, and renewal and replacement fund payments shall remain as governed by the Prior Ordinances.

The Gross Revenues of the System shall only be used for purposes of the System.

Section 4.04. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank or such other bank or national banking association holding such fund or account, as the case may be, at the direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the Prior Ordinances, the need for such moneys for the purposes set forth herein and the specified restrictions and provisions set forth in this Section 4.04.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest

accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount. The Commission, the Depository Bank or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss of such liquidation. The Depository Bank or such other bank or national banking association may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2016 A Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The City, through the Board, shall, or shall cause the Bond Commission to, annually transfer from the Series 2016 A Bonds Reserve Account, during construction to the Construction Fund and thereafter to the Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2016 A Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2016 A Bonds Reserve Account an amount at least equal to the Reserve Requirement for the Series 2016 A Bonds as set forth in the Supplemental Resolution.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2016 A Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2016 A Bonds Reserve Account shall, at any time, be less than the applicable Series 2016 A Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2016 A Bonds, as appropriate, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2016 A Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia

"consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2016 A Bonds; or

(2) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the Series 2016 A Bonds set forth in this Ordinance, any supplemental resolution or in the Series 2016 A Bonds, and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Registered Owner of a Bond; or

(3) If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If an Event of Default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the City to perform its duties under the Act and the Ordinance relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Ordinance with respect to the Series 2016 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2016 A Bonds shall be on a parity with those of the Registered Owners of the First Lien Bonds and senior and prior to those of the Registered Owners of the Second Lien Bonds.

Section 5.03. Appointment of Receiver. Any Registered Owner of a Series 2016 A Bond or any Bond Insurer if the Series 2016 A Bonds are insured may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for

services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Bonds, any Registered Owner of a Series 2016 A Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the City, with the power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the City exercise all the rights and powers of the City with respect to said facilities as the City itself might exercise.

Whenever all that is due upon the Series 2016 A Bonds and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and Registered Owners of the Series 2016 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the City and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Ordinance, and the title to and ownership of the System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

All the covenants, agreements and provisions of the Prior Ordinances shall remain in full force and effect as long as the Prior Bonds and the Series 2016 A Bonds are outstanding and shall apply to the Series 2016 A Bonds as if fully set out herein. The following covenants are supplemental and in addition to the covenants set forth in the Prior Ordinances. In the Original Purchaser or Bond Insurer, if any, requires additional covenants, the covenants shall be set forth in the Supplemental Resolution but shall apply as if set out in full in this Ordinance.

Section 6.01. Completion of Project; Permits and Orders. The City shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing enterprise in good condition and in compliance with all federal and state requirements and standards.

The City has obtained or shall obtain all permits required by state and federal laws for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2016 A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 6.02. Insurance and Construction Bonds. The City hereby covenants and agrees that so long as the Series 2016 A Bonds remain Outstanding, the City will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Original Purchaser. Such insurance shall be made payable to the order of the Registered Owners, the City, the prime contractor and all subcontractors, as their interests may appear. The City will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, to protect the interests of the City, the Registered Owners, the prime contractor and all subcontractors as their interests may appear during construction of the Project in the full insurable value thereof. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Original Purchaser, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City. The City shall verify all such insurance prior to commencement of construction.

The City shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The City shall verify such bonds prior to commencement of construction.

Section 6.03. Issuance of Other Obligations Payable Out of Revenues. In addition to the limitations on the issuance of parity obligations set forth in the Prior Ordinances, no parity obligations payable out of revenues of the System shall be issued after the issuance of the Series 2016 A Bonds without the prior written consent of the Registered Owner of the Prior Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinance and the Supplemental Resolution.

Section 6.04. Engineering Services and Operating Personnel. The City shall provide and maintain competent and adequate engineering services satisfactory covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the City at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

Section 6.05. Compliance With Bond Purchase Agreement and Law. The City hereby covenants and agrees to perform, satisfy and comply with all terms, conditions and requirements of the Bond Purchase Agreement and all applicable laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

Section 6.06. Books; Records and Audit. The City shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The City shall permit the Original Purchaser, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The City shall submit to the Original Purchaser such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of any state and federal grants or other sources of financing for the Project.

All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the City or the Sanitary Board.

The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the

Bonds issued pursuant to the Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the City. The City shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the City shall be reported to such agent of the City as the Council shall direct.

The City shall provide an annual report containing the following as provided in the Supplemental Resolution or any continuing disclosure agreement:

(A) A statement of Gross Revenues, Operating Expenses and Net Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance and the status of all said funds and accounts.

(C) The amount of any bonds, notes or other obligations Outstanding.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of the Independent Accountants, or a summary thereof, to any Registered Owner or Owners of Bonds. The report of said audit shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet its Operating Expenses and debt service and reserve requirements.

Section 6.07. Operating Budget. The Sanitary Board shall annually prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for the operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Original Purchaser within 30 days of the adoption thereof.

Section 6.08. Tax Covenants. The City hereby further covenants and agrees as follows:

A. PUBLIC PURPOSE BONDS. The City shall use the Series 2016 A Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated solely as a public purpose and as local governmental activity of the City.

B. PRIVATE ACTIVITY BOND COVENANT. The City shall not permit at any time or times any of the proceeds of the Series 2016 A Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Series 2016 A Bonds.

C. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2016 A Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the terms thereof is, under the terms of such Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2016 A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined as provided for in the Code.

D. PRIVATE LOAN LIMITATION. The City shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2016 A Bonds or $5,000,000 is used, directly or indirectly, to make or finance a loan (other than loan constituting Nonpurpose Investments) to persons other than state or local government units.

E. FEDERAL GUARANTEE PROHIBITION. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2016 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

F. INFORMATION RETURN. The City shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 A Bonds, and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

G. FURTHER ACTIONS. The City shall take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Series 2016 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those deemed necessary by the Authority) which would adversely affect such exclusion.

Section 6.09. Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System. As covenanted above, the Series 2016 A Bonds are not private activity bonds within the meaning of the Code, and ninety-five percent (95%) or more of the net proceeds (as defined in the Code) of the Series 2016 A Bonds will be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City). The City reasonably expects to expend the proceeds of the Series 2016 A Bonds within the time period that would provide an exception from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of interest on the Series 2016 A Bonds.

Section 6.10. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2016 A Bonds in such manner and to such extent as may be necessary, so that such Series 2016 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on the Series 2016 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.11. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate (the "Tax Certificate") to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Series 2016 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully

available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.11. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.11 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the City, at least once each year (or more often if reasonably requested by the City), a summary of such funds, accounts and investment earnings. The City shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The City shall submit to the Authority, if it is the Original Purchaser, within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the City qualifies for the small governmental issue exception to rebate or any other exception therefrom, then the City shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Bonds subject to rebate. The City shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

Section 6.12. Securities Laws Compliance. If required by the Supplemental Resolution the City will provide the Original Purchaser, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Original Purchaser may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240). The City

will also deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as amended from time to time.

Section 6.13. Defeasance of Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of the Series 2016 A Bonds, the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Registered Owners shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Series 2016 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2016 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Series 2016 A Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of said Series 2016 A Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Series 2016 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Series 2016 A Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities means and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Section 6.14. Rates and Charges. The City has obtained any and all approvals of rates and charges required by state law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of

the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the City duly enacted on November 16, 2015, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2016 A Bonds are outstanding, the City covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in this Ordinance, the City hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Ordinance. In any event, subject to any requirements of law, the City shall not reduce the rates or charges for services set forth in the rate ordinance described above.

The City shall diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The City further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the City, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the City, the City will, to the extent allowed by law, use diligent efforts to enter into a termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 6.15. Contracts. The City shall, simultaneously with the delivery of the Series 2016 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

Section 6.16. Continuing Disclosure Agreement. If required by the Supplemental Resolution, the City shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time, and the City hereby instructs the Mayor and Sanitary Board to take all actions necessary for the City to comply with the continuing disclosure agreement and to make the filings with EMMA.

ARTICLE VII

REGISTRAR

Section 7.01. Appointment of Registrar. The Registrar for the Series 2016 A Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 7.02. Responsibilities of Registrar. The recitals of fact in the Series 2016 A Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2016 A Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described above.

Section 7.03. Evidence on Which Registrar May Act. Except as otherwise provided herein, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 7.04. Compensation and Expenses. The City shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2016 A Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 7.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2016 A Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners or effect or aid in any

reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Bonds Outstanding.

Section 7.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City. A copy of such notice shall also be mailed to each Registered Owner. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or the Registered Owners, in which event such resignation shall take effect immediately; provided that, in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.07. Removal. The Registrar may be removed at any time by the City, the Bond Insurer or the Registered Owners of a majority in principal amount of the Series 2016 A Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City, by the Bond Insurer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the City, the Bond Insurer or the Registered Owners, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided that, in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 7.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A copy of such notice shall also be mailed to each Registered Owner of the Bonds. Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owners. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 7.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 7.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 7.08 hereof.

Section 7.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2016 A Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2016 A Bonds in the name of the predecessor Registrar or in its own name.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Modification or Amendment. Prior to the issuance of the Series 2016 A Bonds, this Ordinance may be amended or supplemented in any way by a Supplemental Resolution. All provisions required by the Original Purchaser or the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2016 A Bonds, no material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Registered Owners shall be made without the consent in writing of the Registered Owners of the Series 2016 A Bonds then Outstanding and to be affected by said modification; provided, however, that no change shall be made in the maturity of any Series 2016 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the Net Revenues of the System without the consent of the Registered Owner thereof. Notwithstanding the foregoing, this Ordinance may be amended without the consent of any Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Bonds from gross income of the Registered Owners thereof.

Section 8.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2016 A Bonds.

Section 8.03. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, other than the Prior Ordinances, in conflict with this Ordinance are, to the extent of such conflict, repealed.

Section 8.04. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of Council and the Sanitary Board were at all times when any actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such office.

Section 8.05. Statutory Notice and Public Hearing. Upon adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least 6 full days intervening between each publication, in the Charleston Gazette-Mail, a qualified newspaper published and of general circulation in The City of Charleston, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a certain date, not less than 10 days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the City for review by interested persons during office hours of the City. The Council hereby determines that the abstract contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Section 8.06. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned, as City Clerk of The City of Charleston, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the official record of The City of Charleston, such records being in the custody of the undersigned and maintained at The City of Charleston, City Hall, Charleston, Kanawha County, West Virginia, and that the action taken by the Council in the foregoing document remains in full force and effect and has not been amended.

Dated this ___ day of _____, 2016.

_____
City Clerk

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

The Charleston Sanitary Board Porters Hollow Project consists of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, the Project shall also include extensions, additions, betterments and improvements to the remaining portion of the existing sewer system.

EXHIBIT B

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on _____, 2016, the Council of The City of Charleston, West Virginia (the "City") adopted an ordinance which, among other things:

1. Authorized the design, acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the City's existing sewerage system (the "System"), the permanent financing of such costs thereof through the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, not to exceed $18,000,000, bear interest at such rate or rates, not exceeding the then legal maximum rate, mature on such dates and in such amounts and be redeemable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the disposition of the System revenues; provided for the payment of operating expenses of the System and debt service on the Bonds; directed the creation of a sinking fund and a reserve account for the Bonds; and directed the creation of a bond construction trust fund and the disbursement of Bond proceeds.

4. Provided that the Bonds shall not be or constitute a corporate indebtedness of the City within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the registered owners of the Bonds to such Net Revenues; and

5. Provided for insurance coverage on the Project and the System, enforcement of collection of fees, rates or other charges for the System and other covenants in favor of the registered owners; and established the events of default and the remedies of the registered owners.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of The City of Charleston at a _____ meeting on _____, 2016, at _____ p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on _____, 2016, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

/s/_____
City Clerk of The City of Charleston, West Virginia

Resolution No._____

Introduced in Council: Adopted by Council:

_____ _____

Introduced by:

_____

A resolution supplementing Ordinance No. 7680, passed by the Council of The City of Charleston, West Virginia, on February 16, 2016; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, and by Ordinance No. 7560 passed by the Council on February 19, 2013; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $18,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City"), on February 16, 2016, adopted Ordinance No. 7680, (the "Ordinance"), authorizing the issuance of The City of Charleston Sewerage System Revenue Bonds, in an aggregate principal amount not to exceed $18,000,000, in one or more series, to permanently finance the cost of design, acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage system of the City (the "Project");

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 provided for the issuance by the Issuer of its Sewerage System Revenue Bonds, Series 2016 A, in the aggregate principal amount of not more than $18,000,000 (the "Series 2016 A Bonds"), for the purposes of paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the System, capitalizing interest on the Series 2016 A Bonds, funding a reserve account for the Series 2016 A Bonds and paying costs of issuance thereof, all in accordance with Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act");

WHEREAS, the Ordinance provides for the issuance of the Series 2016 A Bonds, all in accordance with the Act, and further provides that the exact principal amount, series designation, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of and matters relating to, the Series 2016 A Bonds should be established by a supplemental resolution;

WHEREAS, the Ordinance, pursuant to Section 6 of the Act, directed the City Clerk to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Series 2016 A Bonds as described in the Ordinance and that any person interested may appear before the Council upon a certain day and present protests (the "Notice");

WHEREAS, the Ordinance required that the Abstract and Notice be published as a Class II legal advertisement in the Charleston Gazette-Mail, a newspaper published and of general circulation in the City, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Ordinance and the Notice at which interested persons may appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Ordinance and the Notice;

WHEREAS, the Ordinance and the Notice provided for a public hearing to be held at 7:00 p.m., prevailing time, on March 7, 2016, in Council Chambers in City Hall;

WHEREAS, the Ordinance further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2016 A Bonds should be established by supplemental resolution or by a Certificate of Determinations, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Disclosure Dissemination Agent Agreement, a Registrar Agreement, a Bond Construction Fund Agreement and an Official Statement be approved and that other matters pertaining to the Series 2016 A Bonds be provided for by a supplemental resolution of the Council or pursuant to a Certificate of Determinations, that additional covenants and provisions relating to the Series 2016 A Bonds be provided therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2016 A Bonds and/or providing a debt service reserve insurance policy for such Series 2016 A Bonds and that other matters pertaining to the Series 2016 A Bonds be provided for by a supplemental resolution of this Council or by Certificate of Determinations;

WHEREAS, the Series 2016 A Bonds are proposed to be purchased by Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Original Purchaser"), pursuant to a

Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Council wishes to delegate to the Mayor the authority to approve, within the parameters set forth herein and in the Ordinance, the final terms of the Series 2016 A Bonds and all provisions of all documents relating to the Series 2016 A Bonds (the "Bond Documents"), without the requirement of further official action by this Council; and

WHEREAS, the Council deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement, the Disclosure Dissemination Agent Agreement, the Tax Certificate, Bond Construction Fund Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Preliminary Official Statement and Official Statement relating to the Series 2016 A Bonds, hereinafter described, be approved, that the Mayor be authorized to execute the Certificate of Determinations and enter into the Bond Purchase Agreement, all within the parameters hereby approved by the Council, and that other matters relating to the Series 2016 A Bonds be herein provided for, all in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON:

Section 1. It is hereby found and determined that:

(A) The Abstract and Notice were duly published in the Charleston Gazette-Mail, a newspaper published and of general circulation in the City, with the first publication thereof being not less than ten (10) days before the day set by the Ordinance and the Notice for the public hearing, at which interested persons may appear before the Council and present protests and suggestions and with the last publication thereof being prior to said date set by the Ordinance and the Notice for the public hearing, and the Affidavit of Publication reflecting such publications is incorporated herein by reference;

(B) In accordance with the Ordinance and the Notice, the City Clerk has maintained in his office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) In Council Chambers, City Hall, Charleston, West Virginia, on March 7, 2016, at 7:00 p.m. prevailing time, in accordance with the Ordinance and the Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the City; and

(E) The Ordinance shall be put into effect as of the date hereof and the Series 2016 A Bonds contemplated thereby shall be issued, all as provided in the Ordinance, this Supplemental Resolution and the Certificate of Determination.

Section 2. For the purposes of (i) paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the System; (ii) funding a debt service reserve account for the Series 2016 A Bonds either with cash or through the purchase of a Municipal Bond Debt Service Reserve Insurance Policy; (iii) if determined to be financially advantageous to the Issuer, paying the premium for a Municipal Bond Insurance Policy; and (iv) paying costs of issuance of the Series 2016 A Bonds and related costs, the Council of the Issuer hereby authorizes and orders the issuance of the Series 2016 A Bonds in an aggregate principal amount not to exceed $18,000,000.

Section 3. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2016 A Bonds. The Series 2016 A Bonds shall be issued in the aggregate principal amount not to exceed $18,000,000, bear interest at a true interest rate not to exceed 6% payable semiannually, shall mature in not more than 20 years from the date of issue, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, and shall be subject to such redemption provisions, 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 2016 A Bonds, dated the date of the Bond Purchase Agreement, the form of which is attached hereto as EXHIBIT A and approved hereby (the "Certificate of Determinations"), and shall be substantially in the form set forth in the Ordinance, provided however, that the specific terms of the Series 2016 A Bonds shall be as determined by the Mayor at the time of the execution of the Bond Purchase Agreement and as approved by the Mayor in the Certificate of Determinations.

Section 4. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute the Bond Purchase Agreement on behalf of the Issuer with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2016 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 5. A. The Tax and Non Arbitrage Certificate, to be dated the date of execution and delivery of the Series 2016 A Bonds (the "Tax Certificate"), and executed and delivered by the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Tax Certificate with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Tax Certificate by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The Issuer hereby ratifies the Post-Issuance Compliance Policy adopted July 1, 2015.

Section 6. The Disclosure Dissemination Agent Agreement, to be dated the date of execution and delivery of the Series 2016 A Bonds (the "Disclosure Agreement"), by and between the Issuer and the Dissemination Agent named therein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 7. The distribution by the Original Purchaser of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto as EXHIBIT B, is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Bond Construction Fund Agreement by and between the Issuer and the Depository Bank designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Registrar Agreement and Bond Construction Fund Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement and Bond Construction Fund Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 9. The firm of Jackson Kelly PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2016 A Bonds.

Section 10. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia for the purpose of serving in the capacity of Registrar.

Section 11. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 12. The notice addresses for the Registrar/Depository Bank, Paying Agent and Original Purchaser shall be set forth in the Certificate of Determinations

Section 13. The Issuer may, in the Mayor's sole discretion, if determined to be financially advantageous, acquire a Municipal Bond Insurance Policy to secure the payment of the principal of, and interest on, the Series 2016 A Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2016 A Bonds. These additional covenants and provisions shall be set forth in the Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Supplemental Resolution, and shall be controlling in the event any other provisions of the Ordinance and this Supplemental Resolution may be in conflict therewith.

Section 14. The Issuer may, in the Mayor's sole discretion, if determined to be financially advantageous, acquire a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Debt Service Reserve Fund for the Series 2016 A Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy for the Series 2016 A Bonds Debt Service Reserve Fund. These additional covenants and provisions shall be set forth in the Certificate of Determinations, shall apply to the Series 2016 A Bonds, and shall be supplemental to, and amendatory of, the Ordinance and this Supplemental Resolution, and shall be controlling in the event any other provisions of the Ordinance and this Supplemental Resolution may be in conflict therewith.

Section 15. The rate covenant set forth in Section 6.03 of Ordinance No. 4423 is hereby ratified and confirmed as applicable for the Series 2016 A Bonds:

Section 6.03. Rates. Prior to the issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the City Clerk, each of which copies will be open to inspection by all interested parties. The rates and charges shall be effective as prescribed by the rules and regulations of the PSC. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay the Operating Expenses of the System and to make the prescribed payments into the funds and accounts created hereunder and under the Prior Ordinance. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year to pay the principal of and interest on the Original Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Original Bonds; provided, however, in the event that an amount at least equal to or in excess of the Reserve Account Requirement is on deposit in the Subordinate Reserve Account, an amount at least equal to the

Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and any reserve account for the Prior Bonds is funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Original Bonds and any such prior or parity obligations including the Prior Bonds.

Section 16. The parity test set forth in Section 6.07 of Ordinance No. 1 4423 is hereby ratified and confirmed as applicable for the Series 2016 A Bonds:

Section 6.07. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant hereto, except under the conditions and in the manner herein provided. Except as expressly provided herein, no Parity Subordinate Bonds shall be issued so long as any Supplemental Bond remains Outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements and betterments and to the System or refunding one or more series of Bonds issued hereunder or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred and fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(A) The Prior Bonds;

B) The Bonds then Outstanding;

(C) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

D) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such Parity Bonds.

Section 17. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Series 2016 A Bonds issue to the end that the Series 2016 A Bonds may be delivered as provided in the Bond Purchase Agreement.

Section 18. The financing of the project with proceeds of the Series 2016 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 19. The Mayor and City Clerk, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2016 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 20. This Supplemental Resolution shall be effective immediately following adoption hereof.

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the Council of THE CITY OF CHARLESTON on the __ day of _____, 2016.

Dated: _____, 2016.

[SEAL]

_____
City Clerk

EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2016 A

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Mayor of The City of Charleston, West Virginia (the "Issuer"), in accordance with the Series 2016 A Supplemental Resolution adopted by the Council of the Issuer on _____, 2016 (the "Supplemental Resolution"), with respect to the Issuer's Sewerage System Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), hereby finds and determines this __ day of _____, 2016 as follows:

1. The Series 2016 A Bonds shall be dated the date of closing thereon (estimated to be _____, 2016) and shall bear interest on _____ and _____ of each year commencing _____, 2016.

2. The Series 2016 A Bonds shall be issued in the aggregate principal amount of $_____, at a true interest cost of ___%. Such interest rates do not exceed 6%, being the maximum interest rate authorized by the Supplemental Resolution.

3. The Series 2016 A 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 2016 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2016 A 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 2016 A Bonds shall be sold to Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and [plus/minus] a net original issue [premium/discount] of $_____).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Dissemination Agent Agreement, the Registrar Agreement, the Bond Construction Fund Agreement, the Rule 15c2-12 Certificate and Official Statement attached hereto are hereby approved.

8. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _____ ("_____") to secure the payment of principal of, and interest on, the Series 2016 A Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Insurance Commitment") dated _____, 2016. The Mayor is hereby authorized to execute the Insurance Commitment and deliver the same to _____.

9. Pursuant to the Series 2016 A Insurance Commitment, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Insurance Policy for the Series 2016 A Bonds are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2016 A Bonds.

10. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by _____ ("_____") to fund the Series 2016 A Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accept the Municipal Bond Debt Service Reserve Insurance Commitment (the "Reserve Commitment") dated _____, 2016. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to _____.

11. Pursuant to the Series 2016 A Reserve Commitment, the covenants and provisions which are required by _____ as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Reserve Account are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2016 A Bonds.

12. The notice addresses for the Registrar/Depository Bank, Paying Agent and Original Purchaser shall be as follows: Registrar/Depository Bank, United Bank, Inc., 500 Virginia Street, East, Charleston, West Virginia 25301, Attention: Corporate Trust Department; Paying Agent, West Virginia Municipal Bond Commission, 900 Pennsylvania Avenue, Suite 117 Charleston, West Virginia 25302, Attention: Executive Director; Original Purchaser, Crews & Associates, Inc., 300 Summers Street, Suite 930 Charleston, West Virginia 25301 and Piper Jaffray & Co., 405 Capitol Street, Suite 613, Charleston, West Virginia 25301.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2016 A Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2016 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____

Its: Mayor

Schedule 1

SERIES 2016 A BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (1)	Principal Amount	Interest Rate	Price or Yield	CUSIP No.
AR-1	_____ 1	$_____	____%	_____%	_____

Schedule 2

Redemption Provisions:

Series 2016 A Bonds

[to be inserted after pricing]

EXHIBIT A – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT B – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

EXHIBIT B
PROPOSED PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____ __, 2016

NEW ISSUE – BOOK ENTRY ONLY RATING: S&P__: [Insured]

In the opinion of Jackson Kelly PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (defined below) (i) is excludable from gross income of the owners thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"), except for any period during which a Series 2016 A Bond is held by a person who, within the meaning of the Code, is a "substantial user" of facilities financed with Series 2016 A Bonds proceeds or a "related person" thereto and (ii) is a specific item of tax preference, under Section 57(a)5 of the Code, in computing the federal alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel, under the laws of the State of West Virginia, the Series 2016 A Bonds (defined below) are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2016 A Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia (see "TAX MATTERS" herein).

$18,000,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

Dated: Date of Delivery Due: As shown on inside cover.

The City of Charleston's (the "City") Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds") are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2016 A Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2016 A Bonds will be in book-entry form only. Semiannual interest on the Series 2016 A Bonds is payable each _____ 1 and _____ 1 beginning _____ 1, 2016. So long as the Series 2016 A Bonds are maintained under a book-entry system, payments of the principal of, premium, if any, and interest on the Series 2016 A Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, to DTC in accordance with the Ordinance (defined herein) and any Supplemental Resolution (defined herein), and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2016 A Bonds. See "THE SERIES 2016 A BONDS" herein and "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the design, acquisition and construction of certain additions, betterments and improvements, more specifically described herein, (the "Project") to the existing sewerage system of the City (the "System"); (ii) fund the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from _____ ("___" or "Bond Insurer"); (iii) pay the premium for a municipal bond insurance policy (the "Series 2016 A Insurance Policy") from the Bond Insurer; and (iv) pay costs of issuance of the Series 2016 A Bonds and related costs.

The scheduled payment of principal of and interest on the Series 2016 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2016 A Bonds by _____. For a description of the Policy and the Bond Insurer, see "BOND INSURANCE" herein. For forms of the Policies, see "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY"] hereto.

The Series 2016 A Bonds are payable from and secured by the Net Revenues (as defined herein) derived from the System of the City and any extensions, improvements and betterments thereto on parity with the outstanding First Lien Bonds and senior to the Second Lien Bonds (defined herein) and from funds on deposit in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account therein, all as more fully described herein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the principal of, premium, if any, and interest on the Series 2016 A Bonds, except from the Net Revenues and such funds on deposit. No Owner or Owners of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

The Series 2016 A Bonds are subject to extraordinary, optional and mandatory redemption prior to maturity as described herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2016 A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. . Spilman Thomas & Battle, PLLC, Charleston, West Virginia, counsel to The City of Charleston Sanitary Board (the "Sanitary Board"), will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, counsel to the City, will pass on certain matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters. It is expected that the Series 2016 A Bonds will be available for delivery through the facilities of DTC on or about _____ __, 2016.

Dated: _____ __, 2016

* Preliminary, subject to change.

Crews&Associates Member First Security Bancorp PiperJaffray.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The City deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which have been omitted in reliance upon paragraph (b)(1).

$18,000,000*

THE CITY OF CHARLESTON (WEST VIRGINIA)

SEWERAGE SYSTEM REVENUE BONDS

SERIES 2016 A (TAX-EXEMPT)

Maturities, Amounts, Interest Rates, Prices & CUSIPS**

SERIAL BONDS

Maturity (_____ 1)	Amount*	Interest Rate	Price*	CUSIP**
2018				_____ ___
2019				_____ ___
2020				_____ ___
2021				_____ ___
2022				_____ ___
2023				_____ ___
2024				_____ ___
2025				_____ ___
2026				_____ ___
2027				_____ ___
2028				_____ ___
2029				_____ ___
2030				_____ ___
2031				_____ ___

TERM BONDS

$_,___,___* _____% Term Bonds Due _____ 1, 20__* at _____% CUSIP: _____ ___**

$_,___,___* _____% Term Bonds Due _____ 1, 20__* at _____% CUSIP: _____ ___**

$_,___,___* _____% Term Bonds Due _____ 1, 20__* at _____% CUSIP: _____ ___**

---

* Preliminary, subject to change.

** CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Series 2016 A Bonds only at the time of issuance of the Series 2016 A Bonds and neither the Underwriter nor the City make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016 A Bonds.

THE CITY OF CHARLESTON, WEST VIRGINIA

Danny Jones, Mayor

CITY COUNCIL

Bernard Slater	Cubert Smith	Samuel Minardi	Becky Coperley
Bobby Haas	Mary Beth Hoover	Bobby Reishman	Mary Jean Davis
Chuck Overstreet	Kelley Steele	John Miller	Karen Ireland
Rev. James Ealy	Shannon Snodgrass	Richard Burka	Andrew Richardson
Jeanine Faegre	Susan Salisbury	Jack Harrison	Jerry L. Ware
Edward Talkington	Brent Burton	Mike Clowser	
Archie Chestnut	Courtney Persinger	Tom Lane	

CITY MANAGER	CITY CLERK	CITY ATTORNEY
David Molgaard	JB Akers	Paul Ellis, Esq.

CHARLESTON SANITARY BOARD

Danny Jones, Chairman
John (Mike) Johnson, PE
John (Jack) Tinney, Jr., Secretary/Treasurer

UTILITY GENERAL MANAGER

Larry Roller

BOND COUNSEL

Jackson Kelly PLLC
Charleston, West Virginia

REGISTRAR

United Bank, Inc.
Charleston, West Virginia

PAYING AGENT

West Virginia Municipal Bond Commission
Charleston, West Virginia

UNDERWRITERS

Crews & Associates, Inc.
Charleston, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITERS' COUNSEL

Goodwin & Goodwin, LLP
Charleston, West Virginia

ISSUER'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

CITY'S ACCOUNTANT

Balestra, Harr & Scherer, CPAs, Inc.
Huntington, West Virginia

CITY'S AUDITOR

Suttle & Stalnaker, PLLC
Charleston, West Virginia

[**BOARD'S ACCOUNTANT**

Hayflich PLLC
Charleston, West Virginia

BOARD'S AUDITOR

Balestra, Harr & Scherer, CPAs, Inc.
Huntington, West Virginia]

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016 A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The City of Charleston, West Virginia (the "City") or the Underwriters to give any information or to make any representations, other than as is contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the City and other sources, which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City, as it relates to the System, since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein, and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

The Series 2016 A Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, and from the funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account for the Series 2016 A Bonds therein, and the unexpended proceeds of the Series 2016 A Bonds. No Holder or Holders of the Series 2016 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Series 2016 A Bonds or the interest thereon.

Bond Insurance Policy

_____ ("___") makes no representation regarding the Series 2016 A Bonds or the advisability of investing in the Series 2016 A Bonds. In addition, ___ has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding ___, supplied by ___ and presented under "APPENDIX 1 – BOND INSURANCE," "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY". and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."]

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially

from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS."

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE.

The Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

The Series 2016 A Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
$18,000,000* SERIES 2016 A (TAX-EXEMPT)

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning The City of Charleston, West Virginia (the "City"), the City's sewerage system as hereinafter described in "APPENDIX B – SYSTEM" (the "System"), and the City's $18,000,000*Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds"). The Series 2016 A Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended (the "Act'), and a Bond Supplemental Ordinance adopted by the City Council of the City on February 16, 2016 (the "Original Ordinance"), as supplemented, amended and enacted by a Supplemental Parameters Resolution adopted by the City Council of the City on August 1, 2016 (the "Supplemental Resolution", and, together with the Original Ordinance, the "Ordinance") and a Certificate of Determination executed by the Mayor on _____ __, 2016. See "APPENDIX F – FORM OF ORDINANCE" attached hereto.

The City plans improvements to its wastewater system consisting of the following work: the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, any extensions, additions, betterments and improvements to the remaining portion of the existing sewer system (collectively, the "Project"). The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account [with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 A Reserve Policy") from _____ ("___" or "Bond Insurer")]; (iii) pay the premium for a municipal bond insurance policy (the "Series 2016 A Insurance Policy") from the Bond Insurer; and (iv) pay costs of issuance of the Series 2016 A Bonds and related costs.

The City has outstanding the following bonds which will rank on a parity with the Series 2016 A Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
4.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien

* Preliminary, subject to change

5.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
6.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
7.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
8.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
9.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien
10.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
11.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
12.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
13.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
14.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
15.	$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	First Lien

The foregoing First Lien Bonds are hereinafter collectively called the "First Lien Bonds." The ordinances that authorized the issuance of the First Lien Bonds are herein collectively referred to as the "Prior Ordinances." As of June 30, 2016, the First Lien Bonds were outstanding in the amount of $80,296,154.

The City has outstanding the following bonds which will rank junior and subordinate to the Series 2016 A Bonds and the First Lien Bonds as to liens, pledge, source of and security for payment from the Net Revenues derived from the System (both as hereinafter defined), as follows:

1.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
2.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
3.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
4.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien
5.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien
5.	$334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds").	Second Lien

The foregoing Second Lien Bonds are hereinafter collectively called the "Second Lien Bonds" and, together with the First Lien Bonds, the "Prior Bonds". The ordinances that authorized the issuance of the Second Lien Bonds are herein collectively referred to as the "Subordinate Prior Ordinances." As of June 30, 2016, the Second Lien Bonds were outstanding in the amount of $1,876,412.

The Series 2016 A Bonds are payable from and secured by the Net Revenues derived from the System on parity with one another and the First Lien Bonds, and senior to the Second Lien Bonds, and from funds on deposit in the Sinking Fund for the Series 2016 A Bonds and the Reserve Account therein. The Series 2016 A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Series 2016 A Bonds or premium, if any, or the interest thereon except as provided above. See "SECURITY FOR THE SERIES 2016 A BONDS" herein. Additionally, the payment of the principal of and interest on the Series 2016 A Bonds when due is guaranteed under the Insurance Policy. See "APPENDIX I – BOND INSURANCE," "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."]

Pursuant to the Ordinance, the City has covenanted and agreed to fix and establish, in a manner and form required by law, rates and charges for the use of the System and the services rendered thereby sufficient (together with other revenues of the System) (i) to provide for all Operating Expenses (as defined in the Ordinance) of the System, and (ii) to leave a balance each year equal to at least 115% of the Maximum Annual Debt Service on the Series 2016 A Bonds, and all obligations issued on a parity with the Series 2016 A Bonds, including the First Lien Bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

At the closing of the issuance of the Series 2016 A Bonds, an Independent Accountant will certify that the coverage and parity tests of the First Lien Bonds have been met. In addition, the City will receive the written consent of the holder of the First Lien Bonds for the issuance of parity bonds. See "SECURITY FOR THE SERIES 2016 A BONDS – Rate Covenant" herein and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

The Series 2016 A Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described on the inside cover page and under the heading

"THE SERIES 2016 A BONDS" herein. The Series 2016 A Bonds initially will be maintained under a book-entry system. So long as the Series 2016 A Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2016 A Bonds shall be determined as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, principal of, interest, and premium, if any, on the Series 2016 A Bonds will be payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Bond Commission" or "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by United Bank, Inc., Charleston, West Virginia, as bond registrar (the "Registrar"). For further information describing the method of payment and other matters in the event the book-entry system is discontinued, see "THE SERIES 2016 A BONDS – General" herein.

For a description of the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes and the exclusion of interest on the Series 2016 A Bonds from gross income for state income tax purposes, see "TAX MATTERS" herein.

The City may not issue additional bonds on parity with the First Lien Bonds and the Series 2016 A Bonds, and senior to the Second Lien Bonds, without the prior written consent of the Registered Owner of the First Lien Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinances and the Supplemental Resolution. See "SECURITY FOR THE SERIES 2016 A BONDS – Additional Parity Bonds" herein and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

Brief descriptions of the Series 2016 A Bonds, the System, the Project, the City, the Charleston Sanitary Board (the "Sanitary Board") and certain provisions of the Ordinance and the Act are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2016 A Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City, the Sanitary Board or, during the period of offering the Series 2016 A Bonds, from the Underwriters.

FINANCING PLAN

The Project

The Series 2016 A Bonds are being issued to provide moneys for the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, including but not limited to the replacement and rehabilitation of existing sewers in the areas of: Spring Branch, Porter's Branch, Anderson Heights, Callie Road and Bendview Drive and all necessary appurtenances; provided, that to the extent that the funds remain available, the Project shall also include extensions, additions, betterments and improvements to the remaining portion of the existing sewer system (collectively, the "Project").

The proceeds of the Series 2016 A Bonds shall be used to: (i) finance the costs of the Project; (ii) fund the Series 2016 A Bonds Reserve Account [with the purchase of the Series 2016 A Reserve Policy from the Bond Insurer] (1); (iii) pay the premium for the Series 2016 A Insurance Policy through the Bond Insurer; and (iv) pay the costs of issuance of the Series 2016 A Bonds and related costs.

Sources and Uses of Funds

Series 2016 A Bonds:

Sources of Funds:		
	Principal Amount of Series 2016 A Bonds	$
	Net Original Issue [Premium/Discount]	
	Total Sources	$
Uses of Funds:		
	Deposit to Series 2016 A Bond Construction Trust Fund	$
	Costs of Issuance (2)	
	Total Uses	$

(1) See "SECURITY FOR THE SERIES 2016 A BONDS - Series 2016 A Bonds Reserve Account" herein.

(2) Includes legal and financing fees, underwriters' discount, bond counsel fees, underwriters' counsel fees, City and Sanitary Board's counsel fees, registrar's fee, rounding amount, insurance and surety premiums, rating agency fees, and other miscellaneous expenses relating to the issuance of the Series 2016 A Bonds.

THE SERIES 2016 A BONDS

General

The Series 2016 A Bonds shall be dated as of the date of delivery, and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2016 A Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2016 A Bonds shall be in default, Series 2016 A Bonds issued in exchange for a Series 2016 A Bond surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2016 A Bond surrendered. The Series 2016 A Bonds will bear interest from their date of delivery, payable semiannually on each _____ 1 and _____ 1, commencing _____ 1, 2016, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest accruing on the Series 2016 A Bonds shall be payable by check or draft mailed by the Paying Agent, to the Registered Owner as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of the Series 2016 A Bonds, that special record date to be fixed by the 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 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 for payment at the office of the Paying Agent, in Charleston, West Virginia.

The Series 2016 A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 or integral multiples thereof for any year of maturity. The Series 2016 A Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2016 A Bonds and payments of principal of, redemption price if any, and interest on the Series 2016 A Bonds will be made as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto. If the book-entry system is discontinued, interest on the Series 2016 A Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2016 A Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

Extraordinary Redemption

The Series 2016 A Bonds shall be subject to redemption if there shall occur any damage to or destruction of the System and any condemnation of title to or the use of the System. The Series 2016 A Bonds shall be subject to redemption at any time at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date from any condemnation awards or insurance proceeds which are not used to repair or rebuild the System.

Optional Redemption

The Series 2016 A Bonds maturing on and after _____ 1, 20__, are subject to redemption at the option of the City, prior to maturity, on or after _____ 1, 20__, in whole or in part at any time, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

So long as the Series 2016 A Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2016 A Bonds shall be given as described in "APPENDIX G – BOOK-ENTRY ONLY SYSTEM" attached hereto.

Mandatory Sinking Fund Redemption

[The Series 2016 A Bonds maturing _____ 1, 20__, _____ 1, 20__, and _____ 1, 20__, are subject to annual mandatory redemption prior to maturity by random selection on _____ 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 20__

Year (_____1)	Principal Amount
20__	$_____
20__*	$_____

Bonds Maturing 20__

Year (_____1)	Principal Amount
20__	$_____
20__	$_____
20__*	$_____

Bonds Maturing 20__

Year (_____1)	Principal Amount
20__	$_____
20__	$_____
20__*	$_____

*Final maturity.

If less than all of the Series 2016 A 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 Redemption

At any other time, notice to the Registered Owner and the Underwriters of any redemption shall be given by the Registrar at least 30 days and not more than 60 days prior to the date fixed for redemption by registered or certified mail to the address appearing in the Register or to such other address as is furnished in writing by such Registered Owner to the Registrar. Failure to receive such notice or any

defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2016 A Bonds, and failure to mail such notice shall not affect the validity of any such proceedings for the redemption of any portion of the Series 2016 A Bonds for which there was no failure. After notice of redemption has been given in the manner hereinabove and in the Ordinance described, and moneys necessary therefor have been deposited with the Paying Agent, the Series 2016 A Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

SECURITY FOR THE SERIES 2016 A BONDS

The Series 2016 A Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2016 A Bonds except from said sources.

Bond Insurance

The payment of the principal of and interest on the Series 2016 A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2016 A Bonds by _____ . Information with respect to the Bond Insurer and the policies is set forth in "APPENDIX I – BOND INSURANCE," "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY."]

Sources of Payment

The payment of the debt service on the Series 2016 A Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Revenues derived from the operation of the System on parity with the First Lien Bonds and senior to the Second Lien Bonds. The payment of the debt service on the Series 2016 A Bonds is also secured by the funds on deposit in the Sinking Fund for the Series 2016 A Bonds, including the Reserve Account therein. See "APPENDIX H – ANNUAL DEBT SERVICE REQUIREMENTS" attached hereto for more information. The Net Revenues derived from the System, in an amount sufficient (1) to pay the principal of and interest on the First Lien Bonds and the Series 2016 A Bonds, (2) to make the payments into the Reserve Accounts for First Lien Bonds and the Series 2016 A Bonds, (3) to pay the principal of and interest on the Second Lien Bonds and (4) to make all other payments provided for in the Ordinance, are irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2016 A Bonds as the same become due and for the other purposes provided in the Ordinance. See "APPENDIX F – FORM OF ORDINANCE" attached hereto.

Rate Covenant

The City has covenanted and agreed 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 Ordinance. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2016 A Bonds shall prove to be insufficient to produce the required sums set forth in the Ordinance, the City has covenanted and agreed 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 the Ordinance. In any event, subject to any requirements of law, the City shall not reduce the rates or charges for services set forth in the rate ordinance described in the Ordinance.

The following chart provides the historical debt service coverage ratio of the City for the fiscal years ended June 30, 2011 through 2015. The City does not as a matter of course make public projections as to future revenues, increases in net assets, or other results. However, the City prepared the projected financial information set forth in the following table to present projected annual debt service coverage information relevant to an investment in the Series 2016 A Bonds. The projected financial information was prepared for internal management purposes and was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Nevertheless, in the view of the City, the projected financial information was prepared on a reasonable basis, reflects the best currently available estimates and

judgments, and presents, to the best of the City's knowledge and belief, the expected course of action and the expected future financial performance of the City as it relates to the information presented in the table. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement and appendices are cautioned not to place undue reliance on the projected financial information.

CHARLESTON SANITARY BOARD (WV)
Five Year Historic Coverage Ratio

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Operating Revenue	$ 17,911,932	$ 19,689,693	$ 22,924,988	$ 21,686,813	$ 21,282,509
Total Operating Expenses	$ 13,114,726	$ 13,594,799	$ 14,171,370	$ 15,205,142	$ 15,143,241
	$ 4,797,206	$ 6,094,894	$ 8,753,618	$ 6,481,671	$ 6,139,268
Total Other Revenue	177,467	233,814	158,855	149,260	125,595
Total Other Expenses	2,822,863	2,765,312	2,679,977	3,124,882	3,177,393
Capital Contributions	-	27,430	18,050	75,963	100,931
Extraordinary Item	-	-	2,648,415	-	-
Change in Net Position	$ 2,151,810	$ 3,590,826	$ 8,898,961	$ 3,582,012	$ 3,188,401
Maximum Annual Debt Service	$ 5,215,979	$ 6,506,999	$ 7,087,667	$ 7,087,667	$ 7,087,667
Debt Service Coverage	175%	161%	221%	168%	164%

Source: Charleston Sanitary Board Audits

Series 2016 A Bonds Reserve Account

The City is entering into a Debt Service Reserve Agreement with ___ for the Series 2016 A Bonds (the "Series 2016 A Reserve Policy") (the "Reserve Policy"). Under the Reserve Policy, the City is required to repay any draws upon the Reserve Policy and any administrative expenses incurred by ___, together with interest on the draws and the administrative expenses at a rate equal to the greater of JP Morgan Chase Bank prime rate plus 3% or the highest rate of interest on the respective series of the Series 2016 A Bonds (the "Policy Costs"). Repayment must commence in the first month following each draw, and each monthly payment must be in an amount at least equal to 1/12th of the aggregated Policy Costs related to such draw.

The amount available under the Reserve Policy will be reduced by and to the extent of any payment made under the Reserve Policy. Amounts in respect of Policy Costs paid to ___ will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to ___ on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. All cash and investments in the Series 2016 A Bonds Reserve Account shall be transferred to the Series 2016 A Bonds Sinking Fund for payment of the debt service on the Series 2016 A Bonds before any draw may be made on the Series 2016 A Reserve Policy. The amount available under the Reserve Policy will be reduced by and to the extent of any payment made under the Reserve Policy. Amounts in respect of Policy Costs paid to ___ will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to ___ on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The City does not expect there to be cash or investments in the Series 2016 A Bonds Reserve Account.

If the Reserve Policy is not in effect, in the event of a transfer from the respective Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 2016 A Bonds Reserve Account in an amount up to the Series 2016 A Bonds Reserve Requirement. The transfer of any cash by the City from the Series 2016 A Bonds Reserve Account to the Series 2016 A Bonds Sinking Fund shall be replenished over twelve (12) equal monthly payments.

The City's obligation to repay the Policy Costs or to otherwise replenish the Series 2016 A Bonds Reserve Account will be secured by the Net Revenues derived from the System and the funds on deposit in the Renewal and Replacement Fund.

The Series 2015 A Bonds Reserve Requirement is $_____, which is equal to the lesser of (i) 10% of the original stated principal amount of the Series 2016 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2016 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2016 A Bonds. The Series 2016 A Bonds Reserve Account is being funded by the Series 2016 A Reserve Policy in the amount equal to the Series 2016 A Bonds Reserve Requirement. In the event funds in the Series 2016 A Sinking Fund are insufficient to pay the principal of and/or interest on the Series 2016 A Bonds, the Bond Commission shall submit a Notice of Nonpayment to ___, which will, pursuant to the Series 2016 A Reserve Policy, pay the Bond Commission sufficient amounts to make payments of principal of and/or interest on the Series 2016 A Bonds as the same becomes due, subject to the Series 2016 A Reserve Policy limits. If the Series 2016 A Reserve Policy is not in effect, the Bond Commission shall withdraw cash from the Series 2016 A Bonds Reserve Account for transfer to the Series 2016 A Bonds Sinking Fund.]

Renewal and Replacement Fund

The City is required, after the payment of Operating Expenses and after the payments into the Series 2016 A Bonds Sinking Fund and Reserve Account described above and the sinking funds and reserve accounts created for the First Lien Bonds , on the first day of each month, to transfer to the Renewal and Replacement Fund a sum equal to two and one half percent (2.5%) of the Gross Revenues, exclusive of any payments made to the Series 2016 A Bonds Reserve Account in the Series 2016 A Bonds Sinking Fund and the reserve accounts in the sinking funds of the Prior Bonds.

Withdrawals and disbursements from the Renewal and Replacement Fund shall be made (a) to pay the costs of replacements, emergency repairs, improvements or extensions to the System; or (b) to make up any deficiency in the Reserve Accounts.

Application of Revenues

The entire Gross Revenues derived from the operation of the System shall be deposited by the City in the Revenue Fund and applied monthly to pay all current Operating Expenses of the System. Following the monthly payment of Operating Expenses, the City shall make monthly payments to the Bond Commission for the Prior Bonds as required under the Prior Ordinances. The monthly payments to the Commission for the Series 2016 A Bonds shall be as follows: first to pay interest on the Series 2016 A Bonds and the First Lien Bonds, second to pay principal on the Series 2016 A Bonds and the First Lien Bonds, third to fund the Reserve Accounts for the Series 2016 A Bonds and the First Lien Bonds, fourth to pay interest on the Second Lien Bonds, fifth to pay principal on the Second Lien Bonds, sixth to fund the Reserve Accounts for the Second Lien Bonds, and seventh to make deposits into the Renewal and Replacement Fund.

Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be first made on a parity basis and pro-rata, with respect to the First Lien Bonds, the Series 2016 A Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby, and shall be second made on a parity basis and pro-rata, with respect to the Second Lien Bonds, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required thereby.

The City 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 any

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. For a more detailed description of the flow of funds see "APPENDIX F – FORM OF ORDINANCE-Funds and Accounts; Flow of Funds" attached hereto.

Enforcement of Collections

The City covenants in the Ordinance to 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 and 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 or other laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to the laws of the State and regulations of the Public Service Commission of West Virginia, discontinue services to all delinquent users of services and facilities of the System, until such delinquent amounts, including penalties and reconnect fees, have been fully paid. See "APPENDIX B – THE SYSTEM" and "APPENDIX F – FORM OF ORDINANCE" attached hereto.

Additional Parity Bonds

So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional parity Bonds, as defined in the Ordinance, payable out of the revenues of the System shall be issued after the issuance of the Series 2016 A Bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided.

The City may not issue additional bonds on parity with the First Lien Bonds and the Series 2016 A Bonds, and senior to the Second Lien Bonds, without the prior written consent of the Registered Owner of the First Lien Bonds (if required) then Outstanding and without complying with the parity requirements of the Prior Ordinances and the Supplemental Resolution. See "APPENDIX F – FORM OF ORDINANCE" attached hereto.

THE SYSTEM

The City has operated a sewerage collection and treatment system since 1952. The system is operated by the City through the Sanitary Board. For additional information regarding the system, see "APPENDIX B – THE SYSTEM" attached hereto. For information regarding Kanawha County, in which the City is situated, see "APPENDIX A – GENERAL INFORMATION REGARDING KANAWHA COUNTY, WEST VIRGINIA" attached hereto.

BOND INSURANCE

The City has applied to the Bond Insurer for the issuance, concurrently with the issuance of the Series 2016 A Bonds, of the Series 2016 A Insurance Policy and the Series 2016 A Reserve Policy. The following information has been furnished solely by the Bond Insurer for inclusion in this Official Statement. No representation is made by the City, the Sanitary Board nor the Underwriters as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer. Reference is made to "APPENDIX J – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and ["APPENDIX K – SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY"] for specimens of the insurance and reserve policies, which should be read in their entirety.

Concurrently with the issuance of the Series 2016 A Bonds, the Bond Insurer will issue the Series 2016 A Insurance Policy for the Series 2016 A Bonds. The Series 2016 A Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2016 A Bonds when due as set forth in the form of the Series 2016 A Insurance Policy included as an exhibit to this Official Statement.

INVESTMENT CONSIDERATIONS

Gross Revenue Pledge

The Series 2016 A Bonds are secured solely by the Net Revenues of the System. There can be no guarantee that current rates of the System will always produce revenue sufficient to pay the debt service on the Prior Bonds and the Series 2016 A Bonds. The City has agreed to comply with the covenant to raise the rates of the System if the Net Revenues of the System are not sufficient to provide the required coverage of the maximum annual debt service of the Series 2016 A Bonds and all bonds issued on a parity with the Series 2016 A Bonds and the First Lien Bonds.

Net Revenues sufficient to pay the debt service on the Series 2016 A Bonds and the Prior Bonds also depend on the retention of current customers by the City. An unexpected loss of customers by the City could have an adverse effect on the ability of the City to make the required payments on the Series 2016 A Bonds. Additionally, a significant reduction in the amount of water used by customers of the City may also have an adverse impact on the City's ability to make the required payments on the Series 2016 A Bonds. Accordingly, any further extensions and the financing thereof by the City are dependent upon the City being able to maintain a population base that supports the System's existing capacity.

Future Legislation

Current or future legislative proposals, if enacted into law, may cause interest on the Series 2016 A Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Series 2016 A Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2016 A Bonds. Prospective purchasers of the Series 2016 A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2016 A Bonds if any legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal income tax purposes or adversely impacting the tax treatment of such bonds for State tax purposes.

Recent Legislation

On March 14, 2015, the West Virginia Legislature passed Senate Bill 234 ("SB 234") which significantly revised the regulatory authority of the Public Service Commission of West Virginia over rate making, and project approval for government owned water and sewer utilities. SB 234 became effective June 12, 2015. SB 234 limits the jurisdiction of the Public Service Commission of West Virginia over water and sewer utilities that have at least 4,500 customers and Gross Revenue of at least $3,000,000.

Regulation of the System by the Public Service Commission of West Virginia (the "PSC")

Pursuant to SB 234, the City and the System are exempted from regulation by the PSC for, among other things, (i) the review of City Ordinances implementing rates and charges for the System (a "Rate Ordinance"); and (ii) the requirement to obtain prior PSC approval for construction of capital projects which are outside "the normal course of business." The PSC retained among others, the following authority; customers of sewer utilities operated by a political subdivision of the state may bring formal or informal complaints regarding the commission's exercise of the powers enumerated in this section and the commission shall resolve these complaints under West Virginia Code Section 24-2-1(b)(7).

Statutory Process for Rate Increases

The Council of the City has the authority to implement rates and charges for the System through the enactment of a Rate Ordinance. Enactment of a Rate Ordinance requires a minimum of four to six weeks, including pre-enactment notice of the proposed change in rates and charges and two readings of a Rate Ordinance by Council, separated by seven (7) days, with a public hearing prior to the second reading. The new rates and charges cannot go into effect any sooner than 45 days after the date of enactment of a Rate Ordinance, unless the Council finds and declares that the System is in financial distress such that the 45 day waiting period would be detrimental to the ability of the System to deliver continued and compliant service.

Pursuant to SB 234, West Virginia Code Section 24-2-1(b)(8) specifically provides, however, **"[i] in the event that a political subdivision [the City] has a deficiency in either its bond revenue or bond**

reserve accounts, or is otherwise in breach of a bond covenant, the bond holder may petition the Public Service Commission for such redress as will bring the accounts to current status or otherwise resolve the breached covenant, and the commission shall have jurisdiction to fully resolve the alleged deficiency or breach."

Absence of Rules and Regulations related to SB 234

The PSC has not proposed rules or regulations implementing the statutory changes in SB 234, including the process and scope of complaint cases under §24-2-1(b) of the State Code. Such rules or regulations, if adopted, or case law as developed by the Commission may or may not result in delays in the modification of rates and charges for the System.

Annual Municipal Audit

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The City is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the City's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain municipalities to obtain audit services from certain approved accounting firms. The City has been instructed by the Chief Auditor to procure audit services pursuant to such procedures. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the City and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Certificate. See "CONTINUING DISCLOSURE" herein. Additionally, the City has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

See "FINANCIAL STATEMENTS" herein for a description of the audit performed for the Sanitary Board.

TAX MATTERS

Series 2016 A Bonds

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (i) is excludable from gross income of the holders thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Code; and (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the Federal alternative minimum tax imposed on individuals and corporations; provided, however, that interest on the Series 2016 A Bonds is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed on corporations; and (iii) under the laws of the State of West Virginia, the Series 2016 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2016 A Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

The opinions described in this section are subject to the condition that the City complies on a continuing basis with all requirements of the Code, and regulations thereunder that must be satisfied for interest on the Series 2016 A Bonds to be or continue to be excluded from gross income for Federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2016 A Bonds to be included in the gross income of the recipients thereof for purposes of Federal income taxation, including retroactively to the date of issuance of the Series 2016 A Bonds.

The accrual or receipt of the interest on the Series 2016 A Bonds may otherwise affect the Federal income tax liability of certain recipients. The extent of these and other consequences will depend upon the recipient's particular tax status or other items of income or deductions. Bond Counsel expresses no opinion regarding any such consequences, and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2016 A Bonds.

[Original Issue Discount

Original issue discount ("OID") is the excess, if any, of the stated redemption price at maturity over the issue price. The issue price is the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the debt instrument was sold. The Series 2016 A Bonds maturing on _____ 1, 20__, _____ 1, 20__ and _____ 1, 20__ (the "Discount Bonds"), were sold with original issue discount. Original issue discount is computed on a compound basis and equals the aggregate daily portions of the OID during the taxable year of the owner of the Discount Bonds. Generally the OID is excluded from gross income for Federal income tax purposes with respect to such owner.

Under Section 1288 of the Code, the amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner's tax basis in such Discount Bond.

Purchasers of any Discount Bond at any original issue discount should consult their tax advisors regarding the determination and treatment of original issue discount for Federal income tax purposes, and with respect to state and local tax consequences of owning such Discount Bonds.]

[Amortizable Premium

Amortizable premium is determined with reference to the basis of a debt obligation with respect to the owner thereof and the amount payable at maturity or earlier redemption of such debt obligation. The amortizable bond premium in each year includes the excess of the owner's adjusted basis at the beginning of such owner's taxable year over the amount received or to be received at maturity or earlier redemption of the debt obligation. The Series 2016 A Bonds maturing on _____ 1, 20__, _____ 1, 20__, and _____ 1, 20__ ("OIP Bonds"), are being sold with amortizable premium ("original issue premium" or "OIP"). Under current law, the OIP for OIP Bonds must be amortized on an annual basis by the holder thereof. The amount of OIP amortized each year will not be deductible for Federal income tax purposes. Further, Section 1016 of the Code requires that the amount of annual amortization for the OIP Bonds be deducted annually from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed prior to maturity.

Owners of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable premium for Federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.]

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2016 A Bonds are subject to the unqualified approving opinion of Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel, the form of which is attached as APPENDIX D hereto. Spilman, Thomas & Battle, PLLC, Charleston, West Virginia, counsel to the Sanitary Board, will pass on certain matters for the Sanitary Board. Paul Ellis, Esq., Charleston, West Virginia, as counsel to the City, will pass upon certain legal matters for the City. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriters, will pass upon certain legal matters for the Underwriters.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the validity of the Series 2016 A Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2016 A Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2016 A Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2016 A BONDS - General."

UNDERWRITING

The Series 2016 A Bonds are being purchased by the Underwriters named on the cover of this Official Statement. The Bond Purchase Agreement provides that the Underwriters will purchase the Series 2016 A Bonds, if any are purchased, at a total purchase price of $_____ (which is net of an underwriting discount of $_____ and net of an original issue [premium/discount] of $_____). The obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The Underwriters may change the initial public offering prices from time to time. The Underwriters may offer and sell Series 2016 A Bonds to certain dealers (including dealers depositing the Series 2016 A Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

Piper Jaffray & Co. has entered into a distribution agreement (the "PJC Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the PJC Distribution Agreement, CS&Co will purchase Series 2016 A Bonds from Piper Jaffray & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Series 2016 A Bonds that CS&Co sells.

FINANCIAL STATEMENTS

Included as Appendix C-1 attached hereto is the Comprehensive Annual Financial Report of The City of Charleston, which include the Charleston Sanitary Board as a discretely presented component unit, as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated December 23, 2015, of Suttle & Stalnaker, PLLC, Certified Public Accountants.

Included as Appendix C-2 attached hereto is the Regular Audit of the Charleston Sanitary Board as of and for the twelve-month period ended June 30, 2015, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2015, dated October 15, 2015, of Balestra, Harr & Scherer, CPAs, Inc., Certified Public Accountants.

RATING

Standard & Poor's Corporation ("S&P") has assigned a rating of "AA-" with respect to the Series 2016 A Bonds. Any desired explanation of the significance of such rating should be obtained from S&P. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the City to S&P. Generally, S&P bases its rating on the information and materials so furnished and on its investigation, study and assumptions.

There is no assurance that a particular rating will be maintained for any given period of time and that it will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the Owners of the Series 2016 A Bonds any proposed revision or withdrawal of any rating of the Series 2016 A Bonds or to

oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price or the marketability of the Series 2016 A Bonds.

CONTINUING DISCLOSURE

To comply with the requirements of Rule 15c-2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City will enter into a Disclosure Dissemination Agent Agreement with respect to the Series 2016 A Bonds (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), as the dissemination agent on behalf of the City for the benefit of the registered and beneficial owners of the Series 2016 A Bonds, pursuant to which the City will covenant to provide to DAC (a) certain annual financial information of the City not later than March 31 of the calendar year following the end of the City's fiscal year, commencing with the report for the fiscal year ended June 30, 2016 (which is due March 31, 2017), (b) certain operating data with respect to the City, and (c) notice of certain events. DAC will file such annual financial information and such notices with the Municipal Securities Rulemaking Board (the "MSRB"), which operates the Electronic Municipal Markets Access ("EMMA") system for municipal securities disclosures. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Agreement are set forth in APPENDIX E – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT.

The sole remedy for a breach or default under the Continuing Disclosure Agreement is an action to compel specific performance of the parties' obligations under the Continuing Disclosure Agreement. A breach or default under the Continuing Disclosure Agreement shall not constitute a default on the Series 2016 A Bonds, an Event of Default under the Ordinance, or a default under any other document relating to the Series 2016 A Bonds.

[5 years compliance disclosure to be evaluated and added, if required]

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2016 A Bonds. The City has authorized the execution and distribution of this Official Statement.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

APPENDIX A

GENERAL INFORMATION REGARDING KANAWHA COUNTY, WEST VIRGINIA

APPENDIX B

THE SYSTEM

APPENDIX C-1

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF CHARLESTON

APPENDIX C-2

AUDITED FINANCIAL STATEMENTS OF THE CHARLESTON SANITARY BOARD

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated July __, 2016, is executed and delivered by The City of Charleston (the "City") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the City and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the City through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the City or anyone on the City's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) (March 31 of each year) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the Lottery's annual financial statements for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the respective Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the City and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the City pursuant to Section 9 hereof.

"Disclosure Representative" means Tia Robertson, City Auditor and Controller for the City, or her designee, or her successor, or such other person as the City shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the City's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the City, who is committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the City in connection with the Bonds, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The City shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 of the calendar year following the end of each fiscal year of the City, commencing with the fiscal year ended June 30, 2016 (which is due March 31, 2017). Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the City of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the City will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the City are prepared but not available prior to the Annual Filing Date, the City shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the City pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the City pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;"

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the City pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"

4. "interim/additional financial information/operating data;"

5. "budget;"

6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"

8. "consultant reports;" and

9. "other financial/operating data."

(viii) provide the City evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The City may adjust the Annual Filing Date upon change of the City's fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused

by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. The Annual Report shall contain or include by reference:

(a) Annual Financial Information with respect to the City, which shall include the City's Audited Financial Statements and certain operating data with respect to the City relating to the Bonds. Audited Financial Statements will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change on the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a) 12 of this Section 4: For the purposes of the event described in subsection (a) 12 of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).(b) The City shall give notice of the occurrence of any of the following events, if applicable, with respect to the Bonds within five business days of occurrence so that the City may then notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event in accordance with its obligations under Section 4(a) hereof:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. bankruptcy, insolvency, receivership, or similar event of the City;

12. the consummation of a merger, consolidation or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

13. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(c) The Disclosure Dissemination Agent is under no obligation to notify the City or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the City determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(d) If the Disclosure Dissemination Agent has been instructed by the City as prescribed in subsections (a) or (c) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the City shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to

providing legal advice regarding such laws. The City acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The City may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The City may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(b) The parties hereto acknowledge that the City is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(c) Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the City and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the City is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel with expertise in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The City has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The City may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the City or DAC, the City agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the City shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the City.

SECTION 10. Remedies in Event of Default. In the event of a failure of the City or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or an Event of Default under the Ordinance, or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the City's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the City at all times.

The obligations of the City under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the City.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Disclosure Dissemination Agent may amend this Disclosure Agreement and

any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel with expertise in federal securities laws acceptable to both the City and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the City or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the City. No such amendment shall become effective if the City shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Disclosure Dissemination Agent, the underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of West Virginia (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the City have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

THE CITY OF CHARLESTON

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	The City of Charleston
Name of Bond Issue:	Sewerage System Revenue Bonds, Series 2016 A
Date of Issuance:	July __, 2016
Date of Official Statement:	July __, 2016

Maturity Year (1)	CUSIP*

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	The City of Charleston
Name(s) of Bond Issue(s):	Sewerage System Revenue Bonds, Series 2016 A
Date(s) of Issuance:	July __, 2016
Date(s) of Disclosure Agreement:	July __, 2016
CUSIP Numbers:	_____

NOTICE IS HEREBY GIVEN that The City of Charleston has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between The City of Charleston and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The City of Charleston has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of The City of Charleston

_____

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:
The City of Charleston

Issuer's Six-Digit CUSIP Number:
_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:
_____ ____

Number of pages attached: _____

____ Description of Notice Events (Check One):

1._____"Principal and interest payment delinquencies;"

2._____"Non-Payment related defaults, if material;"

3._____"Unscheduled draws on debt service reserves reflecting financial difficulties;"

4._____"Unscheduled draws on credit enhancements reflecting financial difficulties;"

5._____"Substitution of credit or liquidity providers, or their failure to perform;"

6._____"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7._____"Modifications to rights of securities holders, if material;"

8._____"Bond calls, if material;"

9._____"Defeasances;"

10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"

11._____"Rating changes;"

12._____"Tender offers;"

13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14._____"Merger, consolidation, or acquisition of the obligated person, if material;" and

15._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated July __, 2016, between The City of Charleston, and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Charleston

Issuer's Six-Digit CUSIP Number:

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"

2._____"change in obligated person;"

3._____"notice to investors pursuant to bond documents;"

4._____"certain communications from the Internal Revenue Service;"

5._____"secondary market purchases;"

6._____"bid for auction rate or other securities;"

7._____"capital or other financing plan;"

8._____"litigation/enforcement action;"

9._____"change of tender agent, remarketing agent, or other on-going party;"

10._____"derivative or other similar transaction;" and

11._____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated July __, 2016, between The City of Charleston and DAC.

Issuer's and/or Other Obligated Person's Name:

The City of Charleston

Issuer's Six-Digit CUSIP Number:

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

APPENDIX F

FORM OF ORDINANCE

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriters believe to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 A Bonds. The Series 2016 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014 Refunding Bond certificate will be issued for each maturity of the Series 2016 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2016 A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Refunding Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 A Bonds, except in the event that use of the book-entry system for the Series 2016 A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2016 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016 A Bonds documents. For example, Beneficial Owners of Series 2016 A Bonds may wish to ascertain that the nominee holding the Series 2016 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2016 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2016 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Series 2016 A Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Series 2016 A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2016 A Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Series 2016 A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2016 A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2016 A Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 A Bonds certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016 A Bonds certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX H

ANNUAL DEBT SERVICE

The following table sets forth for each year the amounts payable from Revenues as principal of and interest on the Series 2016 A Bonds on a parity with the Prior Bonds and senior to the Second Lien Bonds.

APPENDIX I

BOND INSURANCE

APPENDIX J

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[APPENDIX K

SPECIMEN MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY]

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriters believe to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 A Bonds. The Series 2016 A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2014 Refunding Bond certificate will be issued for each maturity of the Series 2016 A Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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4. To facilitate subsequent transfers, all Series 2016 A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016 A Bonds documents. For example, Beneficial Owners of Series 2016 A Bonds may wish to ascertain that the nominee holding the Series 2016 A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2016 A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2016 A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Series 2016 A Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Series 2016 A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2016 A Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Series 2016 A Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2016 A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2016 A Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 A Bonds certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016 A Bonds certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX H

CHARLESTON SANITARY BOARD DEBT SERVICE

The following table sets forth for each year the amounts payable from Net Revenues as principal of and interest on the Series 2016 A Bonds on a parity with the Prior Bonds and senior to the Second Lien Bonds.

Fiscal Year (June 30)	Parity 1st Lien Bonds Debt Service	Series 2016 A Debt Service	Total 1st Lien Bonds Debt Service	2nd Lien Bonds Debt Service	Total Debt Service
2017	6,498,121.91	112,224.75	6,610,346.66	103,866.02	6,714,212.68
2018	6,438,848.07	769,440.00	7,208,288.07	103,855.09	7,312,143.16
2019	6,186,235.87	920,540.00	7,106,775.87	103,843.96	7,210,619.83
2020	5,886,266.89	919,940.00	6,806,206.89	103,832.19	6,910,039.08
2021	5,885,503.58	919,140.00	6,804,643.58	103,821.32	6,908,464.90
2022	5,884,699.95	923,090.00	6,807,789.95	103,808.89	6,911,598.84
2023	5,816,299.20	923,072.50	6,739,371.70	103,796.44	6,843,168.14
2024	5,815,412.73	923,725.00	6,739,137.73	103,784.48	6,842,922.21
2025	5,814,482.98	923,485.00	6,737,967.98	103,772.51	6,841,740.49
2026	5,215,646.79	919,175.00	6,134,821.79	103,759.04	6,238,580.83
2027	5,214,619.48	914,412.50	6,129,031.98	83,478.30	6,212,510.28
2028	5,149,284.18	915,850.00	6,065,134.18	78,751.04	6,143,885.22
2029	5,148,151.92	914,750.00	6,062,901.92	78,740.82	6,141,642.74
2030	5,010,186.20	912,650.00	5,922,836.20	78,731.44	6,001,567.64
2031	4,213,066.58	914,450.00	5,127,516.58	67,247.72	5,194,764.30
2032	3,703,145.33	910,150.00	4,613,295.33	67,237.85	4,680,533.18
2033	3,701,764.84	909,750.00	4,611,514.84	67,227.64	4,678,742.48
2034	2,520,552.58	913,050.00	3,433,602.58	67,216.69	3,500,819.27
2035	2,125,776.14	910,050.00	3,035,826.14	67,206.58	3,103,032.72
2036	2,124,175.95	915,125.00	3,039,300.95	67,195.88	3,106,496.83
2037	2,122,494.83	913,500.00	3,035,994.83	67,184.17	3,103,179.00
2038	2,120,729.09	-	2,120,729.09	67,173.01	2,187,902.10
2039	2,118,874.65	-	2,118,874.65	67,161.94	2,186,036.59
2040	2,116,925.68	-	2,116,925.68	67,149.51	2,184,075.19
2041	2,114,879.09	-	2,114,879.09	67,138.25	2,182,017.34
2042	2,112,728.12	-	2,112,728.12	67,125.68	2,179,853.80
2043	2,110,469.80	-	2,110,469.80	67,113.32	2,177,583.12
2044	2,108,096.43	-	2,108,096.43	67,100.67	2,175,197.10
2045	2,105,604.11	-	2,105,604.11	67,087.23	2,172,691.34
Total	117,383,042.97	18,297,569.75	135,680,612.72	2,365,407.68	138,046,020.40

***Source:** Charleston Sanitary Board

APPENDIX I

SPECIMEN DEBT SERVICE RESERVE POLICY

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

Effective Date: _____

BONDS: [Bonds]

Risk Premium: $_____

Member Surplus Contribution: $_____

MAXIMUM POLICY LIMIT: $_____

Total Insurance Payment: $_____

SPECIMEN

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be

reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. ["Debt Service Reserve Agreement" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time.] "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" means the lesser of (i) the Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Name:
Title:

SPECIMEN

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

The City of Charleston, West Virginia
[Name of Issuer]

November 21, 2002
[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

The City of Charleston, West Virginia
(Issuer)

By: _____
(Authorized Officer's Signature)

Jay Goldman, Mayor
(Typewritten Name & Title)

501 Virginia Street, East
(Street Address)

Charleston, WV 25301
(City) (State) (Zip)

(304) 348-8174
(Phone Number)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2016 A (TAX-EXEMPT)

GENERAL CERTIFICATE OF THE CITY OF CHARLESTON ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. SIGNATURES
5. DELIVERY AND PAYMENT
6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
7. MEETINGS
8. INCUMBENCY AND OFFICIAL NAME
9. RATES
10. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
11. INSURANCE
12. OFFICIAL STATEMENT CERTIFICATION
13. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION8(c)(6)
14. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT
15. IRS INFORMATION RETURN
16. SPECIMEN BONDS
17. RELIANCE
18. CONFLICTS OF INTEREST
19. COUNTERPARTS
20. PUBLIC SERVICE COMMISSION ORDERS/APPROVALS
21. CERTIFICATION OF DOCUMENTS
22. NO FEDERAL GUARANTY
23. DISCLOSURE DISSEMINATION AGENT AGREEMENT

We, the undersigned MAYOR and CITY CLERK of The City of Charleston, West Virginia (the "Issuer"), hereby certify this 22nd day of September, 2016, in connection with the $13,145,000 aggregate principal amount of The City of Charleston Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as set forth in the Bond Ordinance duly passed on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution duly adopted on August 1, 2016, and a Certificate of Determination dated September 13, 2016 (collectively, the "Ordinance"), and the Bond Purchase Agreement dated September 13, 2016 (the "Bond Purchase Agreement"), by and between the Issuer and

Crews & Associates, Inc. on behalf of itself and Piper Jaffray & Co. (collectively, the "Underwriter").

2. NO LITIGATION: Except as otherwise disclosed in the Official Statement, no controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance, sale and delivery of the Series 2016 A Bonds, the collection or use of the revenues of the System, or the respective pledge thereof to the payment of the principal of and interest on the Series 2016 A Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2016 A Bonds, nor in any manner affecting the validity or enforceability of the Series 2016 A Bonds, the Ordinance or the Bond Purchase Agreement, or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Series 2016 A Bonds; nor in any manner questioning the valid existence of the Issuer , the City Council or the Sanitary Board or the authority or titles of the Mayor, City Clerk, and the council members of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the issuance, sale and delivery of the Series 2016 A Bonds, which is not set forth in the Official Statement relating to the Series 2016 A Bonds.

3. GOVERNMENTAL APPROVALS: All applicable approvals and certificates required by law for acquisition and construction of the Project, operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2016 A Bonds, have been obtained as of the date hereof and remain in full force and effect.

4. SIGNATURES: As of 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 thereon and attested by manual signature of the City Clerk of the Issuer.

5. DELIVERY AND PAYMENT: On the date hereof the undersigned Mayor did deliver to the Underwriter the entire issue of the Series 2016 A Bonds, numbered AR-1 to AR-18.

At the time of delivery of the Series 2016 A Bonds, there was paid to the Issuer (or others, on behalf of the Issuer) the agreed price therefor as follows:

Par Amount of Series 2016 A Bonds	$13,145,000.00
Plus: Original Issue Premium	993,591.00
Less: Underwriter's Discount	(64,410.50)
Total	$14,074,180.50

6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: Except as otherwise disclosed in the Official Statement, there has been no adverse change in the financial condition of the Issuer or the System since September 7, 2016. The Issuer has heretofore financed and refinanced the acquisition and construction of the System and certain additions, betterments and improvements thereto by the issuance of its bonds, of which there are presently outstanding its:

1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien

11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
12.	$9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004 (the "Series 2004 A Bonds").	First Lien
13.	$36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005 (the "Series 2005 A Bonds").	First Lien
14.	$9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008 (the "Series 2008 A Bonds").	First Lien
15.	$25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011 (the "Series 2011 A Bonds").	First Lien
16.	$11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013 (the "Series 2013 A Bonds").	First Lien
17.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
18.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
19.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
20.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien
21.	$1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005 (the "Series 2005 B-1 Bonds").	Second Lien

22. $334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005 (the "Series 2005 B-2 Bonds"). — Second Lien

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1993 A Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2004 A Bonds, the Series 2005 A Bonds, the Series 2008 A Bonds, the Series 2011 A Bonds and the Series 2013 A Bonds are collectively referred to as the "First Lien Bonds." The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds, the Series 2001 C Bonds, the Series 2005 B-1 Bonds and the Series 2005 B-2 Bonds are collectively referred to as the "Second Lien Bonds," which are subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds."

Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

7. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2016 A Bonds were authorized or adopted at meetings of the Council of the Issuer duly and regularly called and held pursuant to the City Charter and City Council Rules of Procedure, and all applicable statutes, including Chapter 6, Article 9A of the Official West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the council was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Charleston." The Issuer is a municipal corporation of the State of West Virginia in Kanawha County of said State. The Governing Body of the Issuer is its Council, consisting of twenty-six Council members, the Mayor and the City Clerk, all duly elected or appointed, qualified and acting, whose names and dates of commencement and termination of their current terms of office are listed below:

Office	Name	Date Of Commencement Of Office	Date Of Termination Of Office
Mayor	Danny Jones	6/15/2015	1/7/2016
City Clerk	J.B. Akers	6/15/2015	1/7/2016
Council Member	Bernard Slater	6/15/2015	1/7/2016
Council Member	Bobby Haas	6/15/2015	1/7/2016
Council Member	Chuck Overstreet	6/15/2015	1/7/2016
Council Member	Rev. James Ealy	6/15/2015	1/7/2016
Council Member	Jeanine Faegre	6/15/2015	1/7/2016
Council Member	Edward Talkington	6/15/2015	1/7/2016
Council Member	Archie Chestnut	6/15/2015	1/7/2016

Council Member	Cubert Smith	6/15/2015	1/7/2016
Council Member	Mary Beth Hoover	6/15/2015	1/7/2016
Council Member	Kelley Steele	6/15/2015	1/7/2016
Council Member	Shannon Snodgrass	6/15/2015	1/7/2016
Council Member	Susan Salisbury	6/15/2015	1/7/2016
Council Member	Brent Burton	6/15/2015	1/7/2016
Council Member	Courtney Persinger	6/15/2015	1/7/2016
Council Member	Samuel Minardi	6/15/2015	1/7/2016
Council Member	Bobby Reishman	6/15/2015	1/7/2016
Council Member	John Miller	6/15/2015	1/7/2016
Council Member	Richard Burka	6/15/2015	1/7/2016
Council Member	Jack Harrison	6/15/2015	1/7/2016
Council Member	Mike Clowser	6/15/2015	1/7/2016
Council Member	Tom Lane	6/15/2015	1/7/2016
Council Member	Becky Ceperley	6/15/2015	1/7/2016
Council Member	Mary Jean Davis	6/15/2015	1/7/2016
Council Member	Karen Ireland	6/15/2015	1/7/2016
Council Member	Andrew Richardson	6/15/2015	1/7/2016
Council Member	Jerry L. Ware	6/15/2015	1/7/2016

The names of the duly appointed, qualified and acting members of the Sanitary Board of the Issuer are as follows:

Chairman:	Danny Jones, Mayor
Member:	John (Mike) Johnson, PE
Secretary/Treasurer:	John Tinney, Jr.

The duly appointed and acting City Attorney for the Issuer is Paul D. Ellis, Esq., Charleston, West Virginia and the counsel to the Sanitary Board is Spilman Thomas & Battle, PLLC, Charleston, West Virginia.

9. RATES: The current rate ordinance was adopted on November 16, 2015, effective as of March 28, 2016. The Issuer has complied with all requirements of the Public Service Commission of West Virginia to make the rates valid and effective and such rates are in full force and effect. The time for appeal of such ordinance has expired and there has been no appeal thereof.

10. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Council of the Issuer to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the Charleston Gazette-Mail, a newspaper of general circulation in The City of Charleston, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 7th day of March, 2016, at 7:00 p.m., in the Council

Chambers of the City Hall of The City of Charleston and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the City Clerk. At such hearing all objections and suggestions were heard by the Council of the Issuer and the Bond Ordinance became finally adopted, enacted and effective as of August 1, 2016, and remains in full force and effect.

11. INSURANCE: The Issuer will maintain all insurance required under the Ordinance.

12. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

13. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 8(c)(6): In addition to the foregoing, the undersigned hereby certifies, as of the date hereof, that: (i) the representations and warranties of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the date hereof; (ii) (a) except as set forth in the Official Statement, no litigation is pending or, to our knowledge, threatened in any court to restrain or enjoin the issuance or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds, the Ordinance, or the Bond Purchase Agreement, or contesting the powers of the Issuer or any authority for the issuance of the Bonds or the Ordinance, and (b) except as set forth in the Official Statement, there is no litigation pending, or, to the knowledge of the undersigned Mayor, threatened against the Issuer in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of revenues and assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or the Bond Purchase Agreement, or contesting the powers of the Issuer with respect to the Bonds, the Ordinance or the Bond Purchase Agreement or any transaction described in or contemplated by the Official Statement; and (iii) to the best of our knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect.

14. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT: The Issuer hereby confirms the appointment of United Bank, Inc., Charleston, West Virginia, as Registrar and Depository Bank; and West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent.

15. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G for the Bonds and will cause such executed Form 8030-G to be filed in a timely manner with the applicable Internal Revenue

Service Center. The information set forth in such Form 8038-G is true, correct and complete in all respects.

16. SPECIMEN BONDS: Attached hereto as Exhibit A is a specimen of the Series 2016 A Bonds which, except as to execution and authentication, is identical in all respects with the form attached to the Ordinance.

17. RELIANCE: The undersigned acknowledge that it is intended that interest on the Bonds be exempt from federal income tax in the hands of the owners thereof, that the firm of Jackson Kelly PLLC is rendering opinions on the date hereof to said effect and with respect to other matters, and that, in rendering such opinions, said firm is relying, among other things, upon the statements made herein. Said firm is entitled to rely upon such statements.

18. CONFLICT OF INTEREST: No member, officer or employee of the Issuer, the City Council or the Sanitary Board 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 to any contractor supplying the Issuer, relating to the Bonds or the Ordinance, 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.

19. COUNTERPARTS: This Certificate may be executed in counterparts and all such parts shall be deemed to be the Certificate.

20. PUBLIC SERVICE COMMISSION ORDERS/APPROVALS: Since the Issuer satisfies the customer and gross revenue thresholds for West Virginia Code Section 24-2-11, the Issuer is not required to obtain a certificate of public convenience and necessity from the West Virginia Public Service Commission (the "PSC") prior to the construction of additions, betterments and improvements for the System. The Issuer may issue bonds and undertake construction projects without PSC oversight. The Issuer has adopted a Project Ordinance dated March 7, 2016, pursuant to 24-2-11 of the West Virginia Code of 1931, as amended.

21. CERTIFICATION OF DOCUMENTS: There are delivered herewith true and correct copies of the following documents, all which remain in full force and effect and have not been amended, modified, supplemented or repealed unless changed by the terms of other documents listed below:

Bond Ordinance

Supplemental Resolution

Tax Certificate

Post Issuance Compliance Policies

Certificate of Determinations

Specimen Series 2016 A Bonds

City Charter

City Council Rules of Procedure

Oaths of Office of Councilmembers

Minutes on Enactment of Bond Ordinance and Supplemental Resolution

Affidavit of Publication of Notice of Public Hearing

Sewer Rates

Preliminary Official Statement

Official Statement

Bond Purchase Agreement

Disclosure Dissemination Agent Agreement

Rule 15c-2-12 Certificate

DTC Blanket Letter of Representations

IRS Information Return (Form 8038-G)

Municipal Bond Commission New Issue Report

Prior Bonds Ordinances

22. NO FEDERAL GUARANTY: The Series 2016 A Bonds are not, in whole or part, and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

23. DISCLOSURE DISSEMINATION AGENT AGREEMENT: The Issuer is obligated by the Disclosure Dissemination Agent Agreement and is in full compliance with all of its prior continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5) excepting such matters as may be described in the Continuing Disclosure Section of the Official Statement.

WITNESS our signatures and the official corporate seal of THE CITY OF CHARLESTON on this 22nd day of September, 2016.

[SEAL]

Signature	Official Title
	Mayor
	City Clerk
	Attorney

EXHIBIT A

SPECIMEN BOND (See Tab No.14)

bhs

Balestra, Harr & Scherer CPAs, Inc.

PO Box 325, Huntington, WV 25708-0325 Phone: (304) 521-2648 Fax: (888) 900-1264

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2016 A

May 31, 2016

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: Preliminary CPA Certificate

Ladies and Gentlemen:

We have reviewed the sewer rates of The City of Charleston, West Virginia (the "Issuer") as set forth in the Rate Ordinance enacted by the Issuer on November 16, 2015, and the projected operating expenses and anticipated customer usage provided by the Charleston Sanitary Board. It is our opinion that such rates are adequate (i) to provide for all operating expenses of the sewerage system of the Issuer (the "System"), and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for the payment of principal of and interest on the Issuer's proposed $18,000,000 Sewerage System Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds") bearing interest at a rate not to exceed 6% for a term of 20 years, and all other obligations secured by or payable from revenues of the System on a parity with or junior to the Series 2016 A Bonds, including the Issuer's Sewer Revenue Bonds, Series 1989 A; Sewer Revenue Bonds, Series 1989 C; Sewerage System Revenue Bonds, Series 1996 A; Sewerage System Revenue Bonds, Series 1996 B; Sewerage System Revenue Bonds, Series 1997 A; Sewerage System Revenue Bonds, Series 1997 B; Sewerage System Revenue Bonds, 1998 Series A; Sewerage System Revenue Bonds, 1999 Series A; Sewerage System Revenue Bonds, Series 2001 A; Sewerage System Revenue Bonds, 2001 Series B; Sewerage System Revenue Bonds, Series 2004 A; Sewerage System Revenue Bonds, Series 2005 A; Sewerage System Revenue Bonds, Series 2008 A; Sewer Revenue Bonds, Series 2011 A; Sewerage System Revenue Bonds, Series 2013 A; Supplemental Sewer Revenue Bonds, Series 1989 B; Supplemental Sewer Revenue Bonds, Series 1989 D; Sewerage System Revenue Bonds, 1999 Series B; Sewerage System Revenue Bonds, 2001 Series C; Sewerage System Revenue Bonds, Series 2005 B-1; and Sewerage System Revenue Bonds, Series 2005 B-2. The Series 1989 A Bonds, the Series

1989 C Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2004 A Bonds, the Series 2005 A Bonds, the Series 2008 A Bonds, the Series 2011 A Bonds and the Series 2013 A Bonds are collectively referred to as the "First Lien Bonds." The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds, the Series 2001 C Bonds, the Series 2005 B-1 Bonds and the Series 2005 B-2 Bonds are collectively referred to as the "Second Lien Bonds," which are subordinate and junior to the First Lien Bonds and the Series 2016 A Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds."

It is further our 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 2016 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 2016 A Bonds, will not be less than 115% of the maximum annual amount which will mature and become due in any succeeding year for principal of and interest on the Prior Bonds and the Series 2016 A Bonds.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance authorizing the Series 2016 A Bonds.

Very truly yours,

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
PO Box 325
Huntington, WV 25708-0325

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

CERTIFICATE OF CONSULTING ENGINEER

I, Craig D. Richards, Registered Professional Engineer, West Virginia License No. 10358, of Burgess & Niple, Inc., Consulting Engineer, Parkersburg, West Virginia, hereby certify as follows:

1. My firm is the engineer for the planning, design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewerage system (the "System") of The City of Charleston (the "Issuer"), to be constructed in Kanawha County, West Virginia, which acquisition and construction are being permanently financed by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance passed by the Issuer on February 16, 2016, effective August 1, 2016, and a Supplemental Resolution adopted August 1, 2016 (collectively, the "Bond Ordinance").

2. The Bonds are being issued for the purposes of (i) paying the costs of acquisition and construction of the Project; (ii) funding the reserve account with the purchase of a municipal bond debt service reserve insurance policy from Build America Mutual Assurance Company; and (iii) paying costs of issuance and related costs.

3. To the best of our knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and any change orders approved by the Issuer and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 30 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Issuer and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) all contractors to be awarded contracts for the construction of the

Project have submitted affidavits indicating such contractor has a drug free workplace plan pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended; (x) in reliance upon the certificate of Balestra, Harr & Scherer, CPA's Inc., Certified Public Accountants, of even date herewith, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Bond Ordinance; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

[Remainder of page intentionally left blank.]

WITNESS my signature and seal on this 22nd day of September, 2016.

BURGESS & NIPLE, INC.

[SEAL]



Craig D. Richards, P.E.
West Virginia License No. 10358

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

REGISTRAR'S CERTIFICATE

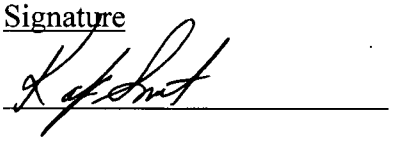
UNITED BANK, INC., Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein have the same meanings set forth in the Bond Ordinance of The City of Charleston (the "Issuer") passed on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution adopted on August 1, 2016 (collectively, the "Ordinance"):

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 and the United States of America, 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 Ordinance and to serve in the capacities of Registrar under the Ordinance.

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 Ordinance, 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.

Name	Title	Signature
Kathy Smith	Vice President	

5. There have been filed with the Bank all of the documents listed in the Ordinance and the Bonds have been duly authenticated and delivered to The Depository Trust Company, and proceeds of the Bonds have been deposited as required by the Ordinance.

6. Attached hereto as Exhibit A is a correct listing of the Bond numbers, CUSIP numbers, maturity dates, principal amounts and interest rates of the Bonds.

[Remainder of page intentionally left blank.]

WITNESS my signature on this 22nd day of September, 2016.

UNITED BANK, INC.

By Michelle R. Wittekind

Its: SVP

EXHIBIT A

SERIES 2016 A BOND TERMS

Bond No.	Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP
AR-1	2017	$365,000	2.000%	0.850%	160609 JY0
AR-2	2018	$525,000	2.000%	1.000%	160609 JZ7
AR-3	2019	$535,000	2.000%	1.100%	160609 KA0
AR-4	2020	$545,000	2.000%	1.250%	160609 KB8
AR-5	2021	$560,000	2.000%	1.400%	160609 KC6
AR-6	2022	$570,000	1.550%	1.550%	160609 KD4
AR-7	2023	$580,000	1.700%	1.700%	160609 KE2
AR-8	2024	$590,000	1.800%	1.800%	160609 KF9
AR-9	2025	$600,000	3.000%	1.900%	160609 KG7
AR-10	2026	$615,000	3.500%	2.000%	160609 KH5
AR-11	2027	$640,000*	4.000%	2.160%	160609 KJ1
AR-12	2028	$665,000*	4.000%	2.240%	160609 KK8
AR-13	2029	$690,000*	4.000%	2.310%	160609 KL6
AR-14	2030	$720,000*	4.000%	2.410%	160609 KM4
AR-15	2031	$745,000*	4.000%	2.460%	160609 KN2
AR-16	2032	$775,000*	4.000%	2.520%	160609 KP7
AR-17	2033	$810,000*	4.000%	2.570%	160609 KQ5
AR-18	2034	$840,000*	4.000%	2.620%	160609 KR3

$1,775,000 3.000% Term Bond Due July 1, 2036 at Yield 3.000% and Price 100.000%
CUSIP 160609 KS1

*Priced to July 1, 2026, optional par call.

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

CERTIFICATE OF UNDERWRITER

The undersigned Gregory B. Isaacs, Senior Managing Director of Crews & Associates, Inc., on behalf of itself and Piper Jaffray & Co. (the "Underwriter"), which is purchasing the entirety of the above-captioned bonds in the aggregate principal amount of $13,145,000, dated September 22, 2016 (the "Series 2016 A Bonds") of The City of Charleston (the "Issuer"), hereby certifies this 22nd day of September, 2016, that:

1. The Underwriter and the Issuer on September 13, 2016 (the "Sale Date") executed a Bond Purchase Agreement for the Series 2016 A Bonds (the "Bond Purchase Agreement"). The Bond Purchase Agreement has not been modified since the execution thereof on the Sale Date. Capitalized terms used herein shall have the meanings set forth in the Bond Purchase Agreement.

2. The Underwriter certifies that the initial offering price of the Series 2016 A Bonds to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Series 2016 A Bonds of that maturity (i.e., at least ten percent (10%) of such maturity) were reasonably expected to be sold as of the Sale Date is as follows for each of the maturities listed below:

Maturity Date (July 1)	**Principal Amount**	**Initial Offering Price**	**Dollar Price**
2017	365,000.00	100.885%	368,230.25
2018	525,000.00	101.754%	534,208.50
2019	535,000.00	102.452%	548,118.20
2020	545,000.00	102.756%	560,020.20
2021	560,000.00	102.761%	575,461.60
2022	570,000.00	100.000%	570,000.00
2023	580,000.00	100.000%	580,000.00
2024	590,000.00	100.000%	590,000.00
2025	600,000.00	108.850%	653,100.00
2026	615,000.00	113.256%	696,524.40
2027	640,000.00	116.133%	743,251.20*
2028	665,000.00	115.371%	767,217.15*
2029	690,000.00	114.709%	791,492.10*
2030	720,000.00	113.770%	819,144.00*
2031	745,000.00	113.305%	844,122.25*
2032	775,000.00	112.749%	873,804.75*
2033	810,000.00	112.288%	909,532.80*
2034	840,000.00	111.829%	939,363.60*
2036	1,775,000.00	100.000%	1,775,000.00

*Priced to the July 1, 2026, optional par call.

3. All of the Series 2016 A Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of Underwriter, placement agents or wholesalers) at prices equal to those set forth in the Bond Purchase Agreement. Based upon the Underwriter's assessment of then prevailing market conditions, the purchase price of each Series 2016 A Bond is not less than the fair market value of each Bond as of the Sale Date.

4. The Surety Reserve Policy purchased in the amount of $27,877.50 pursuant to the Ordinance for the debt service reserve for the Series 2016 A Bonds is reasonable and beneficial for the marketability of the Series 2016 A Bonds.

5. The weighted average maturity of the Series 2016 A Bonds, based on the issue price of the Series 2016 A Bonds from their date of issue (and not on the basis of the principal amount of the Series 2016 A Bonds from their dated date) is 11.517 years.

6. The yield on the Series 2016 A Bonds, calculated in accordance with Treasury Regulations §1.148-4 is 2.3970553%.

7. The Bond Yield calculation included the following adjustments: (i) Surety Reserve Policy Fee treated as a reduction in the Issue Price; and (ii) Series 2016 A Bonds maturing in the years 2027, 2028, 2029, 2030, 2031, 2032, 2033 and 2034 were assumed to be called on the July 1, 2026 par call date.

8. The Underwriter has not and will not receive any compensation from the proceeds of the sale of the Series 2016 A Bonds, including investment earnings thereon, in excess of its underwriter's discount in the amount of $64,410.50.

9. The issue price of the Series 2016 A Bonds, calculated in accordance with Treasury Regulations §1.148-1(b) is $14,138,951.

Par Amount of Series 2016 A Bonds	$13,145,000.00
Plus: Net Original Issue Premium	993,591.00
Issue Price	$14,138,591.00

10. The maximum amount of principal and interest payable on the Series 2016 A Bonds in any Bond Year is $929,250, and such amount is less than 10% of the principal amount of the Series 2016 A Bonds and 125% of the average annual debt service on the Series 2016 A Bonds payable in any year during the term of the Series 2016 A Bonds.

11. The Series 2016 A Bonds are issued as fixed-rate bonds.

12. The terms used herein have the same meaning given them in Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereunder or in the Tax Certificate for the Series 2016 A Bonds.

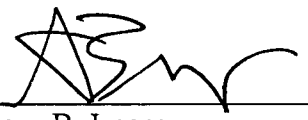
13. This certificate may be relied upon by the Issuer with respect to the Tax Certificate relating to the Series 2016 A Bonds and by Jackson Kelly PLLC in rendering its opinions with respect to the Series 2016 A Bonds.

14. The undersigned is only certifying as to facts in existence on the date hereof.

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Dated the day and year first written above.

CREWS & ASSOCIATES, INC.

By: 

Gregory B. Isaacs
Its: Senior Managing Director

THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

CERTIFICATE OF DETERMINATIONS

The undersigned, Danny Jones, Mayor of The City of Charleston, West Virginia (the "Issuer"), in accordance with the Series 2016 A Supplemental Resolution adopted by the Council of the Issuer on August 1, 2016 (the "Supplemental Resolution"), with respect to the Issuer's Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds"), hereby finds and determines this 13th day of September, 2016 as follows:

1. The Series 2016 A Bonds shall be dated the date of closing thereon (estimated to be September 22, 2016) and shall bear interest on January 1 and July 1 of each year commencing January 1, 2017.

2. The Series 2016 A Bonds shall be issued in the aggregate principal amount of $13,145,000, at a true interest cost of 2.6681408%. Such interest rates do not exceed 6%, being the maximum interest rate authorized by the Supplemental Resolution.

3. The Series 2016 A 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 2016 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2016 A Bonds shall be subject to optional and/or mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2016 A Bonds shall be sold to Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $14,074,180.50 (representing par value less an Underwriter's discount of $64,410.50 and plus original issue premium of $993,591.00).

7. The forms of the Bond Purchase Agreement, the Tax Certificate, the Disclosure Dissemination Agent Agreement, the Registrar Agreement, the Bond Construction Fund Agreement, the Rule 15c2-12 Certificate and Official Statement attached hereto are hereby approved.

8. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by Build America Mutual Assurance Company ("BAM") to

fund the Series 2016 A Bonds Reserve Account will result in a cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Debt Service Reserve Insurance Policy, and accordingly accept the Municipal Bond Debt Service Reserve Insurance Commitment (the "Reserve Commitment") dated July 28, 2016. The Mayor is hereby authorized to execute the Reserve Commitment and deliver the same to BAM.

9. Pursuant to the Series 2016 A Reserve Commitment, the covenants and provisions which are required by BAM as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2016 A Bonds Reserve Account are attached hereto as Exhibit A and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2016 A Bonds.

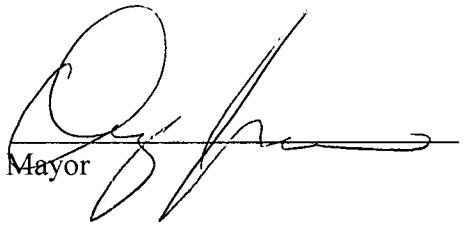
10. The notice addresses for the Registrar/Depository Bank, Paying Agent and Original Purchaser shall be as follows: Registrar/Depository Bank, United Bank, Inc., 500 Virginia Street, East, Charleston, West Virginia 25301, Attention: Corporate Trust Department; Paying Agent, West Virginia Municipal Bond Commission, 900 Pennsylvania Avenue, Suite 117 Charleston, West Virginia 25302, Attention: Executive Director; Original Purchaser, Crews & Associates, Inc., 300 Summers Street, Suite 930 Charleston, West Virginia 25301 and Piper Jaffray & Co., 405 Capitol Street, Suite 613, Charleston, West Virginia 25301.

[Remainder of page intentionally left blank.]

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2016 A Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2016 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature the day and year first written above.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: 

Its: Mayor

Schedule 1

SERIES 2016 A BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

Bond No.	Maturity Date or Sinking Fund (July 1)	Principal Amount	Interest Rate	Yield	Price
AR-1	2017	$365,000	2.000%	0.850%	100.885%
AR-2	2018	$525,000	2.000%	1.000%	101.751%
AR-3	2019	$535,000	2.000%	1.100%	102.452%
AR-4	2020	$545,000	2.000%	1.250%	102.756%
AR-5	2021	$560,000	2.000%	1.400%	102.761%
AR-6	2022	$570,000	1.550%	1.550%	100.000%
AR-7	2023	$580,000	1.700%	1.700%	100.000%
AR-8	2024	$590,000	1.800%	1.800%	100.000%
AR-9	2025	$600,000	3.000%	1.900%	108.850%
AR-10	2026	$615,000	3.500%	2.000%	113.256%
AR-11	2027	$640,000	4.000%	2.160%	116.133%*
AR-12	2028	$665,000	4.000%	2.240%	115.371%*
AR-13	2029	$690,000	4.000%	2.310%	114.709%*
AR-14	2030	$720,000	4.000%	2.410%	113.770%*
AR-15	2031	$745,000	4.000%	2.460%	113.305%*
AR-16	2032	$775,000	4.000%	2.520%	112.749%*
AR-17	2033	$810,000	4.000%	2.570%	112.288%*
AR-18	2034	$840,000	4.000%	2.620%	111.829%*

$1,775,000 3.000% Term Bond Due July 1, 2036 at Yield 3.000% and Price 100.000%

*Priced to July 1, 2026, optional par call.

Schedule 2

Redemption Provisions:

Series 2016 A Bonds

Optional Redemption

The Series 2016 A Bonds maturing on or after July 1, 2027, are subject to redemption at the option of the Issuer, prior to maturity, on or after July 1, 2026, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2016 A Bonds maturing July 1, 2036 are subject to annual mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2036

Year (July 1)	Principal Amount
2035	$875,000
2036*	900,000

If less than all of the Series 2016 A 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.

* Final maturity.

EXHIBIT A – CERTIFICATE OF DETERMINATIONS

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Ordinance (as defined in the Supplemental Resolution) or this Certificate of Determinations (collectively, the "Authorizing Documents") the Issuer agrees to comply with the following provisions:

(1) (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2016 A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Series 2016 A Bonds and shall commence no later than the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Series 2016 A Bonds Reserve Account established for the Series 2016 A Bonds and all other available amounts in any funds available to pay debt service on the Series 2016 A Bonds shall be transferred to the Series 2016 A Bonds Sinking Fund for payment of the debt service on the Series 2016 A Bonds before any

drawing may be made on the Reserve Policy or any other credit facility on deposit in the Series 2016 A Bonds Reserve Account in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2016 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2016 A Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2016 A Bonds covered under the Reserve Policy.

(c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Documents.

(d) The Authorizing Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's oblgation to pay such amount shall expressly survive payment in full of the Series 2016 A Bonds.

(e) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

(f) Any amendment, supplement, modification to, or waiver of the Authorizing Documents or any other document executed in connection with the Series 2016 A Bonds (collectively, the "Security Documents") that requires the consent of the Owners of the Series 2016 A Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(g) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(h) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Ordinance.

(i) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph a hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2016 A Bonds. Where deposits are required to be made by the Issuer with the Paying Agent to the debt service fund for the Series 2016 A Bonds more often than semi-annually, the Paying Agent shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Ordinance or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(k) Payments made by BAM under the Reseve Policy with respect to claims for interest on or principal of the Series 2016 A Bonds shall not discharge the obligation of the Issuer with respect to such Series 2016 A Bonds, and BAM shall become the owner of such unpaid Series 2016 A Bonds and claims for the interest thereon. The issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Series 2016 A Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(l) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Series 2016 A Bonds) in all revenues and collateral pledged as security for the Series 2016 A Bonds. Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Series 2016 A Bonds, including following the occurrence of a default or event of default.

(m) [Reserved]

(n) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Series 2016 A Bonds or the Paying Agent under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Series 2016 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2016 A Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, NY 10281
Attention: Surveillance, Re: Policy No. 2016N0036
Telephone: (212) 235-2500
Telecopier: (212) 235-1542
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated September 22, 2016, is executed and delivered by The City of Charleston (the "City") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the City and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the City through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the City or anyone on the City's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) (June 30 of each year) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the City's annual financial statements for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the respective Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the City and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the City pursuant to Section 9 hereof.

"Disclosure Representative" means Tia Robertson, City Auditor and Controller for the City, or her designee, or her successor, or such other person as the City shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the City's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the City, who is committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal Debt Service Reserve Policy, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the City in connection with the Bonds, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The City shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than June 30 of the calendar year following the end of each fiscal year of the City, commencing with the fiscal year ended June 30, 2016 (which is due June 30, 2017). Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the City of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the City will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the City are prepared but not available prior to the Annual Filing Date, the City shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the City pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the City pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;"

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the City pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"

4. "interim/additional financial information/operating data;"

5. "budget;"

6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"

8. "consultant reports;" and

9. "other financial/operating data."

(viii) provide the City evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The City may adjust the Annual Filing Date upon change of the City's fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. The Annual Report shall contain or include by reference:

(a) Annual Financial Information with respect to the City, which shall include the City's Audited Financial Statements and certain operating data with respect to the City relating to the Bonds. Audited Financial Statements will be provided pursuant to Section 2(d).

(b) Annual Financial Information with respect to the Charleston Sanitary Board. Audited Financial Statements will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change on the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a) 12 of this Section 4: For the purposes of the event described in subsection (a) 12 of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).(b) The City shall give notice of the occurrence of any of the following events, if applicable, with respect to the Bonds within five business days of occurrence so that the City may then notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event in accordance with its obligations under Section 4(a) hereof:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Bonds, if material;

11. bankruptcy, insolvency, receivership, or similar event of the City;

12. the consummation of a merger, consolidation or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

13. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(c) The Disclosure Dissemination Agent is under no obligation to notify the City or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the City determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(d) If the Disclosure Dissemination Agent has been instructed by the City as prescribed in subsections (a) or (c) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the City shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The City acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The City may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The City may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(b) The parties hereto acknowledge that the City is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(c) Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future

Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the City and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the City is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel with expertise in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The City has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The City may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the City or DAC, the City agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the City shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the City.

SECTION 10. Remedies in Event of Default. In the event of a failure of the City or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or an Event of Default under the Ordinance, or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the City's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the City at all times.

The obligations of the City under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or

question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the City.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel with expertise in federal securities laws acceptable to both the City and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the City or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the City. No such amendment shall become effective if the City shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Disclosure Dissemination Agent, the underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of West Virginia (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the City have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By: _____
Name: Diana O'Brien
Title: Vice President

ACKNOWLEDGED AND AGREED:

THE CITY OF CHARLESTON

By: _____
Name: _____
Title: _____

The Disclosure Dissemination Agent and the City have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

THE CITY OF CHARLESTON

By: _____
Name: Danny Jones
Title: Mayor

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	The City of Charleston
Name of Bond Issue:	Sewerage System Revenue Bonds, Series 2016 A
Date of Issuance:	September 22, 2016
Date of Official Statement:	September 13 2016

Maturity Year (July 1)	CUSIP
2017	160609 JY0
2018	160609 JZ7
2019	160609 KA0
2020	160609 KB8
2021	160609 KC6
2022	160609 KD4
2023	160609 KE2
2024	160609 KF9
2025	160609 KG7
2026	160609 KH5
2027	160609 KJ1
2028	160609 KK8
2029	160609 KL6
2030	160609 KM4
2031	160609 KN2
2032	160609 KP7
2033	160609 KQ5
2034	160609 KR3
2036	160609 KS1

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	The City of Charleston
Name of Bond Issue:	Sewerage System Revenue Bonds, Series 2016 A
Date of Issuance:	September 22, 2016
Date of Disclosure Agreement:	September 22, 2016
CUSIP Numbers:	160609

NOTICE IS HEREBY GIVEN that The City of Charleston has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between The City of Charleston and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The City of Charleston has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of The City of Charleston

_____

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: The City of Charleston

Issuer's Six-Digit CUSIP Number: 160609

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: 160609 ____

Number of pages attached: _____

Description of Notice Events (Check One):

1._____"Principal and interest payment delinquencies;"

2._____"Non-Payment related defaults, if material;"

3._____"Unscheduled draws on debt service reserves reflecting financial difficulties;"

4._____"Unscheduled draws on credit enhancements reflecting financial difficulties;"

5._____"Substitution of credit or liquidity providers, or their failure to perform;"

6._____"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7._____"Modifications to rights of securities holders, if material;"

8._____"Bond calls, if material;"

9._____"Defeasances;"

10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"

11._____"Rating changes;"

12._____"Tender offers;"

13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14._____"Merger, consolidation, or acquisition of the obligated person, if material;" and

15._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated September 22, 2016, between The City of Charleston, and DAC.

Issuer's and/or Other Obligated Person's Name: The City of Charleston

Issuer's Six-Digit CUSIP Number: 160609

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: 160609 ___

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"

2._____"change in obligated person;"

3._____"notice to investors pursuant to bond documents;"

4._____"certain communications from the Internal Revenue Service;"

5._____"secondary market purchases;"

6._____"bid for auction rate or other securities;"

7._____"capital or other financing plan;"

8._____"litigation/enforcement action;"

9._____"change of tender agent, remarketing agent, or other on-going party;"

10._____"derivative or other similar transaction;" and

11._____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated September 22, 2016, between The City of Charleston and DAC.

Issuer's and/or Other Obligated Person's Name: The City of Charleston

Issuer's Six-Digit CUSIP Number: 160609

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: 160609 ___

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

TAX CERTIFICATE

CERTIFICATE UNDER SECTIONS 103(b)(2) and 148 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

The City of Charleston (the "Issuer") hereby certifies with respect to its $13,145,000 Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Obligations"), dated September 22, 2016, to be issued on the date hereof (the "Closing Date"), which is the date of delivery of, and payment of more than a de minimus portion for, the Obligations, pursuant to the Bond Ordinance passed by the Issuer on February 16, 2016, effective on and as supplemented by a Supplemental Resolution, adopted on August 1, 2016 (collectively, the "Bond Ordinance"), and which are to be acquired by Crews & Associates, Inc. and Piper Jaffray & Co., as Purchaser, that the following facts, estimates and circumstances regarding the amount and use of all of the Proceeds of the Obligations are, as of the Closing Date and according to the Issuer's best knowledge, information and belief, reasonably expected to exist or to occur:

A. Proceeds.

The Proceeds of the Obligations consist, and will consist, of the Sale Proceeds and Investment Proceeds.

The Sale Proceeds of the Obligations have been calculated as follows:

Par Amount of Obligations	$13,145,000.00
Plus: Original Issue Premium	993,591.00
Sale Proceeds	$14,138,591.00

B. Purpose of Issue.

The Proceeds of the Obligations will be used to provide funds for the Issuer to acquire and construct certain improvements and extensions to the existing public sewerage facilities of the Issuer, and any other sewer improvements deemed necessary by the Issuer, together with all appurtenant facilities (the "Project"). The proceeds will be used only:

(i) to finance the Project;

(ii) to fund the Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy"); and

(ii) to pay Costs of Issuance of the Obligations,

each of which constitutes a valid governmental purpose (the "Governmental Purpose").

The total amount of Sale Proceeds of the Obligations received, or deemed received, by the Issuer will not exceed the amount necessary to finance the Governmental Purpose. The Obligations are being issued at this time in such amount because the Issuer is obligated or will

soon be obligated to make payments under a contract for the Project, which construction contract will be entered into on the date hereof or soon thereafter.

C. Yield on the Obligations.

(1) The price at which a substantial amount of the Obligations was sold is $14,138,591, which is par plus the original issue premium.

(2) The Yield on the Obligations is 2.3970553%.

(3) Neither the Issuer nor any Related Person to the Issuer has entered into or expects to enter into any Hedge with respect to the Obligations themselves.

D. Application of Sale Proceeds.

All of the Sale Proceeds of the Obligations will be used as described in this section.

(1) $13,936,186.44 will be used to pay Costs of the Project as defined in the Bond Ordinance upon receipt of a requisition signed by an Authorized Representative of the Issuer.

(2) $27,877.50 will be used to pay for the Reserve Policy from Build America Mutual Assurance Company.

(2) $202,404.56 will be used to pay Issuance Costs, including the underwriters' discount as defined in the Bond Ordinance.

E. Expenditure of Proceeds.

The acquisition of the Project will commence shortly and the Issuer has incurred, or will incur within six (6) months after the Closing Date, a substantial binding commitment to expend at least five percent (5%) of its proportionate share of the Net Sale Proceeds of the Obligations on the Project. The Issuer expects to expend at least eighty-five percent (85%) of the Net Sale Proceeds within three (3) years after the Closing Date. The Project will proceed with due diligence to completion and the Proceeds will be spent on the Project no later than three (3) years after the Closing Date.

F. Investment of Proceeds.

(1) The Bond Ordinance requires that the Issuer restrict the Use of the Proceeds of the Obligations in such manner and to such extent and take such other actions as may be necessary so that the Obligations will not constitute Arbitrage Bonds. Except for an amount equal to the Minor Portion and amounts in Reasonably Required Reserve or Replacement Funds, neither the Gross Proceeds of the Obligations nor any Disposition Proceeds of the Obligations will be invested at a Materially Higher Yield after the expiration of any Applicable Temporary Periods. If any Gross Proceeds of the Obligations are still invested at a Materially Higher Yield after the expiration of the Applicable Temporary Period, Yield Reduction Payments will be made.

(2) Not more than fifty percent (50%) of the Proceeds of the Obligations will be invested in Nonpurpose Investments that have a substantially guaranteed Yield for at least four (4) years.

(3) Payments made by the Issuer into the Sinking Fund established under the Bond Ordinance will be used to pay Debt Service on the Obligations monthly which is within a thirteen (13) month period, beginning on the date of deposit. Any Investment Proceeds earned thereon will be spent within one (1) year after the date of receipt. The Sinking Fund will be depleted at least once a year, except for a reasonable carryover amount (not to exceed the greater of (a) one year's earnings on the Revenue Fund or (b) one-twelfth (1/12) of annual Debt Service). The Sinking Fund will be used primarily to achieve a proper matching of revenues and Debt Service requirements of the Obligations within each year.

(4) Except for the Sinking Fund, no other account, Pledged Fund or credit facility has been or will be established to pay Debt Service of or premium, if any, on the Obligations. There are no moneys, sources of funds, securities or obligations that have been, or will be, pledged as collateral for the payment of Debt Service of or premium, if any, on the Obligations, and there are no moneys, sources of funds, securities or obligations with respect to which the Issuer has given or will give any reasonable assurance to any holder of the Obligations that such funds will be available to pay Debt Service of or premium, if any, on the Obligations.

G. General.

(1) Pursuant to the Bond Ordinance, no portion of the Project will be sold or otherwise disposed of by the Issuer prior to the final principal maturity date of the Obligations.

(2) The Issuer hereby elects to treat the Obligations for purposes of satisfying the Spending Exceptions to Rebate described in Section 148(f) of the Code and Treas. Reg. §1.148-7 issued thereunder, pursuant to Treas. Reg. §1.148-7(b)(6)(ii).

(3) The Issuer will not make any prepayment of Debt Service of the Obligations to the Sinking Fund if such prepayment would cause the interest on the Obligations to be includable in the gross income, for federal income tax purposes, of any holder of the Obligations.

(4) There are no amounts, other than the Gross Proceeds of the Obligations, that are available for the Governmental Purpose. Except for the funds described in Section F, if any, there are no sinking funds or Pledged Funds and the term of the Obligations is not longer than reasonably necessary for the Governmental Purpose.

(5) Any Arbitrage Compliance Payments owed with respect to the Obligations will be remitted to the United States Treasury not later than sixty (60) days after (i) each Installment Computation Date, and (ii) the Final Computation Date for the Obligations.

(6) The Issuer has not employed in connection with the issuance of the Obligations a transaction or series of transactions that attempts to circumvent the provisions of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations thereunder to enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and/or to increase the

burden on the market for Tax-Exempt Bonds through actions such as issuing more obligations, issuing obligations sooner or allowing them to remain outstanding longer than would otherwise be necessary for the Governmental Purpose.

(7) The Issuer has not sold any obligations, nor does it expect to sell any obligations, other than the Obligations, within fifteen (15) days before or after the Sale Date of the Obligations pursuant to the same plan of financing for the Project or any related facilities which are payable from substantially the same source of funds as the Obligations.

(8) The Issuer has never been advised of any listing or contemplated listing by the Internal Revenue Service to the effect that the Issuer's certification with respect to its obligations may not be relied upon and no notice to that effect has been published in the Internal Revenue Bulletin.

(9) To the best knowledge, information and belief of the undersigned, who is authorized by the Issuer to sign this certificate on behalf of the Issuer, the above expectations of the Issuer as stated herein are reasonable and there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

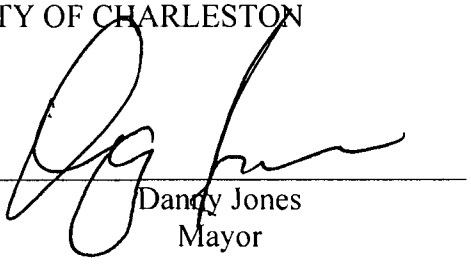
(10) Capitalized terms not defined in this Certificate are defined in the Memorandum of Instructions Regarding Use of Proceeds and Arbitrage Compliance (the "Memorandum of Instructions") to the Issuer, attached hereto and made a part hereof.

(11) The Issuer will file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah 84201 pursuant to Subsection 149(e) of the Code and all germane Treasury Regulations and all other germane forms of IRS guidance.

(12) The Issuer has been informed that the Internal Revenue Service has recently placed added emphasis on the need for written procedures as to arbitrage matters and post-issuance non-compliance. On July 1, 2015, the Issuer adopted the Post-Issuance Compliance Policy for the purposes of monitoring its compliance with Sections 103 and 141 through 150 of the Code. Thus, for purposes of preparation of Form 8038-G, the existence of written procedures should be indicated thereon with respect to the Obligations.

(13) This certificate is being executed and delivered pursuant to Treas. Regs. §§ 1.148-1 through –11 issued under the Code, of which the undersigned, with the advice of counsel, is generally familiar. On the basis of the foregoing, it is not expected that the Proceeds of the Obligations will be used in a manner that would cause the Obligations to be Arbitrage Bonds.

THE CITY OF CHARLESTON

By: 

Name: Danny Jones
Title: Mayor

Dated: September 22, 2016

MEMORANDUM OF INSTRUCTIONS REGARDING USE OF PROCEEDS AND ARBITRAGE COMPLIANCE

To: The City of Charleston

Date: September 22, 2016

Re: The City of Charleston's $ 13,145,000 Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)

This Memorandum of Instructions Regarding Use of Proceeds and Arbitrage Compliance (the " Memorandum") has been prepared with regard to the above-referenced obligations (the "Obligations"), which were issued September 22, 2016 (the "Closing Date") by The City of Charleston (the "Issuer") pursuant to a Bond Ordinance passed on February 16, 2016, effective August 1, 2016, and a Supplemental Resolution, adopted on August 1, 2016, (collectively, the "Ordinance"), to finance the cost of designing certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"), as further described in the Ordinance.

In the Bond Ordinance, the Issuer covenanted not to take any actions that would cause the interest on the Obligations to become includable in gross income for federal income tax purposes. The Issuer has also certified to certain facts, current expectations and future actions in the Certificate under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "No-Arbitrage Certificate"), relating to current and future investments and expenditures of the Proceeds of the Obligations. Pursuant to the Bond Ordinance and the No-Arbitrage Certificate, the Issuer must not use the Proceeds of the Obligations or any property financed with such Proceeds if such Use would violate the restrictions of the Internal Revenue Code of 1986, as amended (the "Code").

This Memorandum is intended to provide you with guidance in complying with these restrictions, including the Private Activity Bond restrictions of Section 141 of the Code and the investment limitations and rebate requirements of Section 148 of the Code, as currently interpreted in regulations, rulings, notices and announcements that have been promulgated by the United States Treasury Department, including Treasury Regulations §§ 1.141-0 through 1.141-16 and §§ 1.148-0 through -11, and in court decisions to the extent necessary to ensure that interest on the Obligations remains excludible from gross income under Section 103(a) of the Code and does not become a specific item of tax preference under Section 57(a)(5)(C) of the Code for the federal alternative minimum tax.

For purposes of this Memorandum, any requirements relating to a fund or account held under the Bond Ordinance and/or applicable provision of the laws of the State of West Virginia apply only to that portion of such fund or account allocable to the Obligations. Please refer to the No-Arbitrage Certificate and the Appendix to this Memorandum for definitions of the capitalized terms used herein.

1. Use of the Proceeds.

(a) General Restrictions. Not more than ten percent (10%) of the Use of either the Proceeds of the Obligations or the Project may be Private Use if more than ten percent (10%) of the principal of or interest on the Obligations is secured or to be paid, either directly or indirectly, by any Private User, not more than five percent (5%) of the Use of either the Proceeds of the Obligations or the Project may be Unrelated Private Use or Disproportionate Private Use and not more than the lesser of five percent (5%) of the Proceeds of the Obligations or $150,000 may be used to make Private Loans.

(b) Expenditures for the Project. The Issuer must expect to incur, within six months after the Closing Date, a substantial binding commitment to an Unrelated Person to expend at least five percent (5%) of its proportionate share of the Net Sale Proceeds of the Obligations and the initiation of design of the Project must commence within a reasonable period of time after the Closing Date. It has certified that the Project will commence shortly. The Issuer must expect that (i) it will expend at least eighty-five percent (85%) of the Net Sale Proceeds of the Obligations within three (3) years after the Closing Date, (ii) the design of the Project will proceed with due diligence to completion, and (iii) the Proceeds of the Obligations will be spent within three (3) years after the Closing Date. For this purpose, a Reimbursement Allocation may be treated as an expenditure. The total amount of Sale Proceeds, together with Investment Proceeds, must not exceed the amount necessary for the Project, including, to the extent permitted, issuance expenses and interest during design.

(c) Reimbursement Allocations. The Issuer may not allocate any of the Proceeds of the Obligations to Capital Expenditures that were paid prior to sixty (60) days before the date on which the Issuer adopted a Reimbursement Resolution authorizing the issuance of debt to finance the Project, except that allocations of any Proceeds of the Obligations for Costs of Issuance paid before the Closing Date, for certain preliminary Capital Expenditures not in excess of twenty percent (20%) of the Issue Price of the Obligations, and for an amount of Capital Expenditures not in excess of the lesser of five percent (5%) of the issue or $100,000 may be made even if the expenditure was paid more than sixty (60) days prior to the date of adoption of the Reimbursement Resolution described herein and even if the allocation would not otherwise qualify as a Reimbursement Allocation.

(d) Service Contracts.

(i) Post-May 15, 1997 Contracts and Modifications. The Issuer should not enter into, materially modify or extend (other than pursuant to a Renewal Option existing on May 15, 1997) a Service Contract with any Service Provider to manage, provide services in, or otherwise use the Project, unless:

(A) Reasonable Compensation. The compensation is reasonable for the services rendered by the Service Provider and the Service Contract does not provide for any compensation based, in whole or in part, on a share of net profits from the operation of the Project, and

(B) Compensation Arrangements. The compensation arrangement during each annual period during the term of the Service Contract complies with the terms of Subparagraphs (B)(I), (II), (III), or (IV) of this Subsection:

(I) Fixed Fee.

(*a*) 95% Fixed. At least ninety-five percent (95%) of the consideration for services is based on a Periodic Fixed Fee, which may include an Incentive Award; provided however that the term (including Renewal Options) of such Service Contract does not exceed the lesser of eighty percent (80%) of the expected useful life of the Project or fifteen (15) years;

(*b*) 80% Fixed. At least eighty percent (80%) of the consideration for services is based on a Periodic Fixed Fee, which may include an Incentive Award; provided, however that the term (including Renewal Options) of such Service Contract does not exceed the lesser of eighty percent (80%) of the expected useful life of the Project or ten (10) years; or

(*c*) 50% Fixed. At least fifty percent (50%) of the consideration for services is based on a Periodic Fixed Fee; provided, however, that the term (including Renewal Options) of such Service Contract does not exceed five (5) years and the contract includes a Cancellation Right at the end of the third year of the Service Contract;

(II) Capitation Fee. More than fifty percent (50%) of the consideration for services is based on a Capitation Fee and any remaining consideration is based on a Periodic Fixed Fee; provided, however, that the term (including Renewal Options) of such Service Contract does not exceed five (5) years and the contract includes a Cancellation Right at the end of the third year of the Service Contract;

(III) Per-Unit Fee. More than fifty percent (50%) of the consideration for services is based on a Per-Unit Fee and any remaining consideration is based on a Periodic Fixed Fee; provided, however, that the term (including Renewal Options) of such Service Contract does not exceed three (3) years, and the contract includes a Cancellation Right at the end of the second year of the Service Contract; or

(IV) Percentage Fee. All the consideration for services is a percentage of fees charged or costs incurred (but not both) or is a combination of a percentage of fees charged or costs incurred and Per-Unit Fees; provided, however, that the term (including Renewal Options) of such Service Contract does not exceed two (2) years and the contract includes a Cancellation Right at the end of the first year of the Service

Contract; and provided, further, that such Service Contract is one under which the Service Provider primarily provides services to third parties, or the Service Contract is one that involves a facility during an initial startup period for which there have been insufficient operations to establish a reasonable estimate of the amount of the annual gross revenues and expenses, during which time, the consideration may be based on a percentage of gross revenues, adjusted gross revenues or costs;

(C) Control. Not more than twenty percent (20%) of the voting power of the governing body of the Issuer, in the aggregate, should be vested in the Service Provider or in the Service Provider's directors, officers, shareholders and employees. Additionally, the respective chief executive officers of the Issuer and the Service Provider and of the governing bodies of the Issuer and the Service Provider should not serve on the governing body of the other and the Issuer and the Service Provider should not be members of the same controlled group, as defined in Treas. Reg. § 1.150-1(e) or Related Persons; and

(D) Exception. Any agreements that do not satisfy Subparagraphs (i)(A) – (C) of this Subsection or Rev. Proc. 97-13, 1997-1 C.B. 632, may be entered into provided that the Issuer receives an opinion of Bond Counsel that to do so would not adversely affect the Federal Tax Status of the Obligations; and

(ii) Pre-May 16, 1997 Contracts. The Issuer must have ascertained that any Service Contract entered into prior to May 16, 1997 satisfies the provisions of either Rev. Proc. 93-19, 1993-1 C.B. 526 or Subparagraph (i) of this Subsection or the Issuer should have received an opinion of Bond Counsel that the existing Service Contract will not adversely affect the Federal Tax Status of the Obligations.

(e) Changes in Use or User of Project.

(i) Use of the Project. The Issuer must expect that it will use the Project for the entire stated term of the Obligations unless the Obligations are subject to a Mandatory Redemption Provision.

(ii) Sales, Other Dispositions and Leases. Except as otherwise provided in Subparagraph (iv) of this Subsection, no part of the Project should be sold, otherwise disposed of or leased unless the Issuer obtains an opinion of Bond Counsel that either (A) such sale, other disposition or lease will not adversely affect the Federal Tax Status of the Obligations, or (B) the Issuer satisfies the requirements for a Remedial Action.

(iii) Changes in Use. Except as otherwise provided in Subparagraph (iv) of this Subsection, the Issuer should not permit any Use of the Project by any person or entity other than itself unless it obtains an opinion of Bond Counsel that either (A) such Use will not constitute a Change in Use or otherwise adversely affect the Federal Tax Status of the Obligations, or (B) the Issuer satisfies the requirements for a Remedial Action.

(iv) Exception for Dispositions of Personal Property. Any portion of the Project that consists of personal property may be sold in the ordinary course of an established governmental program if (A) the weighted average maturity of the portion of the Obligations financing the personal property was not greater than one hundred twenty percent (120%) of the reasonably expected actual Use of such personal property by the Issuer, (B) the Issuer expected on the Closing Date that the fair market value of the personal property at the time of disposition would not be greater than twenty-five percent (25%) of its cost, and (C) at the time of disposition, the personal property is no longer suitable for the governmental purpose for which it was acquired.

(v) Agreement of New User. Prior to the sale, exchange or other disposition of any portion of the Project to any person or entity or the Use of any portion of the Project by any person or entity other than itself, and assuming that the requirements of the other Paragraphs of this Section are satisfied, the Issuer should require that the new user will use that portion of the Project in a manner that will not violate the directions contained in this Memorandum.

2. Investment of the Proceeds.

(a) General Investment Restrictions. The Bond Ordinance requires that the Issuer restrict the Use of the Proceeds of the Obligations in such manner and to such extent and take such other actions as may be necessary so that the Obligations will not constitute Arbitrage Bonds. Except for an amount equal to the Minor Portion and amounts in Reasonably Required Reserve or Replacement Funds, neither the Gross Proceeds of the Obligations nor any Disposition Proceeds of the Obligations may be invested at a Materially Higher Yield after the expiration of any Applicable Temporary Periods. If any amount of Gross Proceeds of the Obligations is still invested at a Materially Higher Yield after the expiration of the Applicable Temporary Period, Yield Reduction Payments may be owed.

(b) Hedge Bond Restriction. Not more than fifty percent (50%) of the Sale Proceeds of the Obligations may be invested in any Nonpurpose Investment having a substantially guaranteed Yield for four or more years.

(c) Reasonably Required Reserve or Replacement Fund. Either no amount on deposit in all Reasonably Required Reserve or Replacement Funds for the Obligations, including any amounts held by any provider of a letter of credit or guarantor under a reimbursement or other similar agreement, should exceed the least of (i) ten percent (10%) of the stated principal amount of the Obligations, (ii) the maximum annual Debt Service of the Obligations, or (iii) one hundred twenty-five percent (125%) of average annual Debt Service of the Obligations, or the amount held in all Reasonably Required Reserve or Replacement Funds in excess of the lowest of these limits may not be invested at a Materially Higher Yield or, if the amount so invested satisfies Treas. Reg. § 1.148-5(c)(3)(i)(E), appropriate Yield Reduction Payments should be timely made.

(d) Separate Investments. The Issuer should invest the Proceeds of the Obligations separately from any other of its investments.

(e) Acquisition of Investments.

(i) General Rule. Investment Property must be acquired and disposed of on an established market, in arms'-length transactions, at a price equal to the fair market value and no amounts should be paid to reduce the Yield on the Investment Property.

(ii) Certificates of Deposit ("CD's"). CD's may only be purchased if:

(A) Maker. The CD is issued by a commercial bank;

(B) Terms. It has a fixed interest rate, a fixed principal payment schedule and a substantial penalty for early withdrawal; and

(C) Yield. It has a Yield that is:

(I) Comparable. Not less than the Yield on a reasonably comparable direct obligation of the United States; and

(II) Highest Available. Not less than the highest Yield published or posted by the commercial bank to be currently available from that bank for comparable CD's offered to the public;

(iii) Guaranteed Investment Contracts. GIC's may only be purchased if:

(A) Competitive Bids. A bona fide solicitation for the GIC with specified terms, in writing, is timely made to at least three (3) reasonably competitive providers, each with an established industry reputation;

(B) Bid Specifications. The bid specifications include all material terms, including the reasonably expected draw-down schedule for the funds being invested, exclusive of amounts in any Bona Fide Debt Service Fund or any Reasonably Required Reserve or Replacement Fund, and all terms are commercially reasonable, with a legitimate business purpose other than to increase the Purchase Price or reduce the Yield;

(C) No Tie-In. The bid specifications notify the bidders that any bidder will be treated as representing to the Issuer that it has not consulted with any other bidder about its bid, that its bid is made without regard to any other agreement, formal or informal, with any person, including the Issuer, and that its bid is genuine and not a mere courtesy bid to enable the Issuer to comply with Treas. Reg. § 1.148-5(d)(6)(iii)(B);

(D) No Second Look. All bidders have an equal opportunity to bid and no bidder is given the opportunity to review the bid made by any other bidder;

(E) Bids. At least three bids responding to bid solicitations that meet the requirements of Subparagraph (B) of this Paragraph are received from different providers of GIC's with no material financial interest, directly or indirectly, in the Obligations and at least one of these bids is from a reasonably competitive provider, as described in Subparagraph (A) of this Paragraph, and

none are received from any agent conducting the bidding. For this purpose, the financial advisors of the Issuer with respect to the purchase of the GIC and, for fifteen (15) days after the Closing Date, a lead underwriter in a negotiated underwriting are all deemed to have a material financial interest in the issue;

(F) Highest Yield. The Yield (determined net of broker's fees) on the GIC purchased is the highest Yield of the qualifying bids;

(G) Bidding Fee. The amount of the fee charged by the bidding agent for the GIC that will be treated as a Qualified Administrative Fee in determining the Yield on the GIC is limited to the greater of (I) a reasonable amount, as described in Treas. Reg. § 1.148-5(e)(2)(i), issued under the Code; or (II) the present value of annual payments equal to two-tenths of one percent (0.2%) of the GIC Computational Base, with a maximum of $30,000 and a minimum of $3,000 if the amount determined under (II) is less, provided that the total such fees for any such investments made with the Proceeds of the Obligations does not exceed $85,000. The amounts specified herein shall be subject to change under the cost of living adjustment provisions of Treas. Reg. § 1.148-5(e)(2)(iii)(B);

(H) Administrative Costs. The provider of the GIC certifies the administrative costs incurred in connection with the GIC reasonably expected to be paid to third parties;

(iv) United States Treasury Obligations ("Treasuries"). Treasuries may only be purchased if:

(A) Direct Purchases. The Treasuries are purchased directly from the United States Treasury (such as SLGS); or

(B) Other Purchases. The purchase complies with the following:

(I) GIC Bid Rules. The Bid meets the requirements of Subparagraphs (iii)(A) and (B) of this Section, except that the bid does not need to specify an expected drawdown schedule;

(II) Cost. The Purchase Price of the Treasuries:

(*a*) Lowest Cost. Is either the lowest cost bid for the entire portfolio, or the lowest aggregate cost, determined on a security-by-security basis;

(*b*) Seller Payments. Includes any payments made by the seller of the Treasuries to the Issuer; and

(*c*) Comparison to SLGS. Is not greater than the cost of the most efficient portfolio comprised of SLGS determined at the time of the bid submission, unless SLGS are not then available; and

(III) Bidding Fee. The amount of the fee charged by the bidding agent that will be treated as a Qualified Administrative Fee in determining the Yield on Treasuries not purchased directly from the United States Treasury is limited to the greater of (I) a reasonable amount, as described in Treas. Reg. § 1.148-5(e)(2)(i), issued under the Code; or (II) the present value of annual payments equal to two-tenths of one percent (0.2%) of the Yield-Restricted Investment Computational Base, with a maximum of $30,000 and a minimum of $3,000 if the amount determined under (II) is less, provided that the total such fees for any such investments made with the Proceeds of the Obligations does not exceed $85,000. The amounts specified herein shall be subject to change under the cost of living adjustment provisions of Treas. Reg. § 1.148-5(e)(2)(iii)(B).

3. Timing and Method of Determination of Arbitrage Compliance Payments. The Issuer covenanted in the Bond Ordinance to take all actions necessary to comply with the rebate requirements applicable to investments of the Proceeds of the Obligations contained in Section 148(f) of the Code and the Treasury Regulations thereunder. In addition, if any of the Gross Proceeds of the Obligations in excess of the Minor Portion remain unspent beyond the available Applicable Temporary Periods, the Issuer must determine if any Yield Reduction Payment is owed. Any Hedge with respect to the Obligations could affect the determination of whether the Obligations are a fixed rate issue, under Treas. Reg. § 1.148-4(b) or a variable rate issue under Treas. Reg. 1.148-4(c) and could affect the calculation of the Yield on the Obligations for purposes of satisfying the Yield limitations of Section 148 of the Code and of determining any Rebate Amount. In addition, the sale of any right to redeem the Obligations could affect the Yield for purposes of calculating the Rebate Amount. The Issuer, therefore, must take the following actions:

(a) Installment Computation Date. No later than five (5) years after the Closing Date, the Issuer must select the initial Installment Computation Date for the Obligations.

(b) Collection of Records. Immediately after each Installment Computation Date and the Final Computation Date for the Obligations, the Issuer must assemble copies of records concerning investments of Gross Proceeds of the Obligations, including any amounts held by any provider of a letter of credit or guarantor under a reimbursement or other similar agreement, and provide all such information to the Rebate Analyst within thirty (30) days after each Installment Computation Date and the Final Computation Date for the Obligations, so that the Rebate Analyst can track all Investment Property acquired with the Gross Proceeds of the Obligations during the relevant Computation Period for the Obligations.

(c) Calculation of Arbitrage Compliance Payment. The Issuer must direct the Rebate Analyst to calculate the Rebate Amount, the Required Rebate, the Yield Reduction Amount and the Rebate Payment (the "Arbitrage Amounts") for the Obligations upon receipt of such records and in any event within forty-five (45) days after each Installment Computation Date and the Final Computation Date for the Obligations. In determining the Rebate Amount:

(i) Debt Service Funds. No amount in any Bona Fide Debt Service Funds may be included in Gross Proceeds of the Obligations.

(ii) Expenditures Made. Unless it would increase the Rebate Amount,

(A) Six-Month Expenditure Exception. No amount of Gross Proceeds of the Obligations, as modified by Treas. Reg. § 1.148-7(c)(3), need be included in Gross Proceeds of the Obligations if all such modified Gross Proceeds are expended within six (6) months after the Closing Date, or twelve (12) months for an amount equal to the lesser of five percent (5%) of the Sale Proceeds of the Obligations or $100,000; and

(B) Construction Expenditure Exception to Rebate. No amount of ACP need be included in Gross Proceeds of the Obligations, if the Construction Expenditure Amounts are expended by each of the Target Dates for the Obligations.

(d) Arbitrage Compliance Payments. No later than sixty (60) days after each Installment Computation Date and the Final Computation Date for the Obligations, the Issuer must remit an amount equal to the Arbitrage Compliance Payment, if any, for the Obligations to the United States Treasury at the office of the Internal Revenue Service prescribed by the Treasury Regulations or by the Commissioner of the Internal Revenue Service. The remittances must each be accompanied by any form or forms required, which may include (i) a statement summarizing the computation of the amount required to be paid as described in this Section and (ii) Internal Revenue Service Form 8038-T or such other forms as may be required.

4. Records.

(a) General. The Issuer must keep proper records and accounts, which should contain complete and correct entries of all transactions relating to the Obligations and the Gross Proceeds of the Obligations. The Issuer should retain the information described in this Section for at least six (6) years after the Redemption Date of the Obligations.

(b) Project Expenditures. All requisitions, disbursements, allocations, applications and payments made for the Project, including all such items made with Gross Proceeds of the Obligations, should be kept in a separate record.

(c) Investments.

(i) General. The Issuer must keep a separate record of all purchases and sales of Investment Property made with the Gross Proceeds of the Obligations, including money derived from, pledged to or to be used to pay Debt Service of the Obligations. The records should specify the account or fund in which each Investment Property is to be held and should set forth for each Investment Property, (A) the Purchase Price, (B) identifying information, including par amount, coupon rate, and payment dates, (C) the amount received at maturity or the sale price, as the case may be, including accrued interest, (D) the amounts and dates of any payments made with respect thereto, and (E) the dates of acquisition and disposition or maturity.

(ii) Guaranteed Investment Contracts. The Issuer must keep copies of the contract and the bid solicitation, any deviation from specifications accepted and any

amendment to the bids received, and the reasons for such changes and every bid submitted, including the name of the person and entity submitting the bid, the time and date of the bid and the bid results.

(iii) Treasuries for Yield-Restricted Escrows. If the Treasuries are not purchased directly from the United States Treasury, the Issuer must keep copies of the bid solicitation form, any deviation from the specifications that are accepted and any amendment to the bids received and the reasons for such changes, and every bid submitted, including the name of the person and entity submitting the bid, and the cost of the most efficient portfolio of SLGS, unless SLGS were not then available.

(d) Arbitrage Compliance. The Issuer must keep copies of all records relating to the determination of Arbitrage Compliance Payments.

5. Security.

(a) General Restrictions. Not more than ten percent (10%) of the principal of or interest on the Obligations may be secured or paid, either directly or indirectly by any Private User if there is Private Use in excess of ten percent (10%) of the Proceeds of the Obligations or of the Project.

(b) No Federal Guarantee. The Gross Proceeds of the Obligations may not be invested in any Investment Property that is Federally-Guaranteed and no portion of the Debt Service of the Obligations may be Federally-Guaranteed, either directly or indirectly.

Since the requirements of Sections 141 and 148 of the Code may be amplified in the future and interpretations of the requirement may change, we may amend or supplement this Memorandum from time to time to reflect such changes. In addition, you may seek clarification of the requirements of this Memorandum, particularly whether any specified action is still required or whether some further or different action is required.

By its acknowledgement of receipt of this Memorandum, the Issuer hereby agrees to comply with the directions given in this document. To that end, the Issuer should also require that the Trustee comply with such requirements with respect to any Gross Proceeds of the Obligations of which the Trustee has custody or otherwise supervises.

Received and acknowledged:

THE CITY OF CHARLESTON

By: _____

Name: Danny Jones

Title: Mayor

Date: September 22, 2016

APPENDIX

DEFINITIONS

In addition to words and terms elsewhere defined in this Memorandum and in the No-Arbitrage Certificate, the following words and terms used in this Memorandum shall have the following meanings, unless some other meaning is plainly intended:

"AMT Bond" means a Qualified Private Activity Bond, other than a Qualified 501(c)(3) Bond, the interest on which is a specific item of tax preference under Section 57(a)(5)(C) of the Code, subject to the federal alternative minimum tax under Section 55 of the Code.

"Applicable Temporary Period" means the temporary investment period available for each particular category of Gross Proceeds of Governmental Obligations, as provided in Treas. Reg. § 1.148-2(e), during which time such Gross Proceeds may be invested at a Materially Higher Yield. The Applicable Temporary Period for amounts in a Capital Acquisition Fund is three (3) years from the Closing Date of the Governmental Obligations, the Applicable Temporary Period for any amount deposited in a Bona Fide Debt Service Fund is thirteen (13) months from the date of deposit in such fund, the Applicable Temporary Period for any Investment Proceeds of Governmental Obligations is one (1) year from the date of receipt of such amounts, the Applicable Temporary Period for any Replacement Proceeds of Governmental Obligations is thirty (30) days from the date such amounts become Replacement Proceeds and the Applicable Temporary Period for any Disposition Proceeds of Governmental Obligations will be determined under Treas. Reg. § 1.141-12(a).

"Arbitrage Bond" means any Governmental Obligation that is treated as an arbitrage bond under Sections 103(b)(2) and 148 of the Code.

"Arbitrage Compliance Payment" means any Rebate Payment and any Yield Reduction Payment.

"Available Construction Proceeds ("ACP")" means the portion of the Proceeds, as specially defined in Section 148(f)(4)(C)(vi) of the Code, of Governmental Obligations allocable to Construction Expenditures.

"Bona Fide Debt Service Fund" means a fund that is used primarily to achieve a proper matching of revenues with Debt Service of Governmental Obligations within each Bond Year and is depleted at least once each Bond Year, except for the Permitted Carryover.

"Bond Counsel" means a nationally recognized bond counsel experienced in municipal finance, particularly in the issuance of Tax-Exempt 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, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"Cancellation Right" means the right of a Governmental Entity to cancel a contract on reasonable notice without penalty or cause.

"Capital Acquisition Fund" means a fund that is to be used to finance the purchase, construction and acquisition of assets and facilities that qualify as Capital Expenditures.

"Capital Expenditure" means any expense that is properly depreciable or amortizable or is otherwise treated as a capital expenditure under the Code and, for the purposes of determining eligible Reimbursement Allocations, Costs of Issuance.

"Capitation Fee" means a fixed amount paid per individual covered, so long as the types and quantity of services actually provided to covered individuals varies substantially, which fee may increase automatically, based on a specific, objective, external standard unrelated to the output or efficiency of the facility being managed. For this purpose, up to twenty percent (20%) of the total fee may consist of a variable component to protect the Service Provider from catastrophic loss.

"Change in Use" means any sale, exchange, lease or other disposition and any contract for any sale, exchange, lease or other disposition of any portion of a Governmental Facility to any Private User or any Use of such facility that would be a Private Use.

"Closing Date" means the date obligations are issued and paid for, as provided in Treas. Reg. § 1.150-1(b).

"Computation Period" means the period from the Closing Date of Governmental Obligations or the day after any Installment Computation Date for such obligations through the next Installment Computation Date or through the Final Computation Date for the obligations, as applicable.

"Construction Expenditure" means any Capital Expenditure that is allocable to the cost of constructing real or personal property, as defined in Treas. Reg. § 1.148-7(g). Such expenditures do not include costs of acquiring interests in land or existing property, but may include costs for reconstruction and rehabilitation.

"Construction Expenditure Amount" means the amount of ACP of Governmental Obligations that must be expended by each Target Date for such obligations, pursuant to Section 148(f)(4)(C)(ii) of the Code. The Construction Expenditure Amount for the First Target Date is ten percent (10%) of the ACP, the Construction Expenditure Amount for the Second Target Date is forty-five percent (45%) of the ACP, the Construction Expenditure Amount for the Third Target Date is seventy-five percent (75%) of the ACP and the Construction Expenditure Amount for the Fourth Target Date is one hundred percent (100%) of the ACP, except that if certain amounts are to be retained for a reasonable business purpose relating to the facilities being financed with the Proceeds of the Governmental Obligations at the Fourth Target Date, ninety-five percent (95%) shall apply instead of one hundred percent (100%). If ninety-five percent (95%) (rather than one hundred percent (100%)) is used at the Fourth Target Date, then one hundred percent (100%) of the ACP must be spent by the Fifth Target Date. For these purposes, a Reimbursement Allocation shall be treated as an expenditure.

"Construction Expenditure Exception to Rebate" means Treas. Reg. § 1.148-7(e), which provides that Governmental Obligations which qualify as a Construction Issue will be treated as satisfying the rebate requirements of Section 148 of the Code if the Construction Expenditure Amounts are spent by the Target Dates for such obligations and any Required Rebate owed on Proceeds of such obligations that are not ACP is paid.

"Construction Issue" means an issue or portion of an issue of Governmental Obligations if at least seventy-five percent (75%) of the Proceeds of such issue or portion will finance Construction Expenditures.

"Cost of Issuance" means any expenditure incurred in connection with the issuance of Governmental Obligations, including such costs as underwriters' spread, rating agency fees, appraisal costs, attorneys' and accountants' fees and printing costs, but excluding Qualified Guarantee Fees or expenditures incurred in connection with the acquisition of the facilities financed with the Proceeds of such obligations.

"Debt Service" means any principal and interest payments on obligations.

"Demand Deposit SLGS" means any SLGS described in 31 CFR 344, Subpart C.

"Disposition Cash" means the Disposition Proceeds of Governmental Bonds with respect to the sale, exchange or other disposition of any Governmental Facilities when such proceeds consist exclusively of cash.

"Disposition Proceeds" means the amounts, including property, received from the sale, exchange or other disposition of any Governmental Facilities, as provided in Treas. Reg. § 1.141-12(c).

"Disproportionate Private Use" means the excess of Related Private Use over the Related Governmental Use.

"Eligible Yield-Restricted Proceeds" means any Yield-Restricted Proceeds, as specially described in Treas. Reg. § 1.148-5(c)(3), of Governmental Obligations the Yield on which may be reduced by making Yield Reduction Payments.

"Escrow Fund" means a fund to hold Investment Property that has been created for a particular purpose.

"Federal Tax Status" means the classification of any Tax-Exempt Bond as a Governmental Bond.

"Federally-Guaranteed" means having the payment of any Debt Service of Governmental Obligations or any loan made with Proceeds of such obligations guaranteed, in whole or in part, directly or indirectly, by the United States, or acquiring any Investment Property that is, directly or indirectly federally-insured, except as otherwise permitted by Section 149(b) of the Code.

"Final Computation Date" means the Redemption Date of Governmental Obligations, but no earlier than eight (8) months after the Closing Date of such obligations, unless the

Governmental Issuer reasonably expects that the Construction Expenditure Exception to Rebate will apply, in which event, it means the Final Target Date of the obligations, if later than the Redemption Date.

"Final Target Date" means the Fourth or the Fifth Target Date for Governmental Obligations, as may be applicable.

"501(c)(3) Organization" means an organization described in Section 501(c)(3) of the Code and determined by the Internal Revenue Service to be exempt from taxation under Section 501(a) of the Code.

"Future Value" means future value, as defined in Treas. Reg. § 1.148-3(c).

"GIC Computational Base" means the amount of Gross Proceeds of Governmental Obligations reasonably expected to be deposited, as of the date the contract is acquired, over the term of the contract.

"Governmental Bond" means any Governmental Obligation that satisfies the requirements of Section 103 and 141 through 150 of the Code and is not a Private Activity Bond.

"Governmental Entity" means any State and any political subdivision and agency of any State.

"Governmental Facility" means any property owned by one or more Governmental Entities financed or refinanced with Governmental Bonds, provided that not more than ten percent (10%) of such property is used by Private Users.

"Governmental Issuer" means the Governmental Entity that is the debtor on or issuer of a Governmental Obligation.

"Governmental Obligation" means any debt obligation of a Governmental Entity.

"Gross Proceeds" means Proceeds and Replacement Proceeds, determined pursuant to Treas. Regs. §§ 1.148-1(b) and -1(c), of Governmental Obligations, until spent.

"Guaranteed Investment Contract ("GIC")" means any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, as well as any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

"Hedge" means any contract with respect to Governmental Obligations that creates an interest rate swap, an interest rate cap, the right to future delivery of Investment Property, or the right to sell or buy either the obligations or Investment Property purchased with the Proceeds of such obligations, or other similar rights.

"Hedge Bond" means any Governmental Obligation that is described in Section 149(g)(3)(A) of the Code, or is a Refunding Bond of a Hedge Bond, or is a Refunding Bond of a Governmental Obligation issued before September 15, 1989 that has an average maturity date

later than the average maturity date of the obligation being retired or redeemed or exceeds the amount of such obligation.

"Incentive Award" means a one-time single, stated dollar increase in the amount of the Periodic Fixed Fee during the term of a Service Contract, given when either a gross revenue target or a gross expense target (but not both) is met.

"Independent" means not being a shareholder, partner, member, director, trustee, officer or employee of an entity.

"Installment Computation Date" means, generally, the date that is five years after the Closing Date of Governmental Obligations, unless an earlier date is chosen for this purpose, and thereafter, the date that is five years after the preceding Installment Computation Date, until the Final Computation Date for the obligations.

"Investment Proceeds" means any amounts actually or constructively earned or received from investing the Proceeds of Governmental Obligations in Investment Property.

"Investment Property" means any security (as defined in Section 165(g)(2)(A) or (B) of the Code), obligation (not including any Tax-Exempt Bond unless an AMT Bond), annuity contract and other investment-type property and any Residential Rental Property.

"Issue Price" means, generally, the initial offering price to the public (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount (at least ten percent (10%) of each maturity) of Governmental Obligations is sold, unless such obligations are sold to one purchaser that intends to hold the obligations for investment and not resale to the general public, and then the Issue Price means the Purchase Price paid by such purchaser.

"Mandatory Redemption Provision" means a requirement that Governmental Obligations must be retired or redeemed within six months after the occurrence of a Private Use of the Proceeds of the obligations or of any facilities financed with such Proceeds, provided that, on the Closing Date of such obligations, the Governmental Issuer had Reasonable Use Expectations.

"Materially Higher Yield" means any Yield that is higher than the Yield permitted to be earned under Section 148 of the Code and Treas. Regs. §§ 1.148-1 through -11.

"Minor Portion" means an amount of the Proceeds of Governmental Obligations, other than Proceeds invested in a Reasonably Required Reserve or Replacement Fund or Proceeds invested during an Applicable Temporary Period, not in excess of the lesser of (i) five percent (5%) of the Proceeds of such obligations, or (ii) $100,000.

"Negative Pledge" means any agreement to maintain an amount of Investment Property at a particular level for the benefit, directly or indirectly, of any holder of Governmental Obligations or any guarantor of the obligations, except that any agreement under which the Governmental Issuer of such obligations can grant rights to the funds that are superior to the rights of any holder or guarantor of the obligations that meets the requirements of Treas. Reg. § 1.148-1(c)(3)(ii)(A) or any agreement under which the amount to be maintained is reasonable

and may be tested not more often than every six (6) months and that meets the requirements of Treas. Reg. § 1.148-1(c)(3)(ii)(B), shall not be treated as a Negative Pledge.

"Net Proceeds" means the Proceeds of Governmental Obligations less amounts thereof deposited in all Reasonably Required Reserve or Replacement Funds, if any.

"Net Sale Proceeds" means the Sale Proceeds of Governmental Obligations, less amounts thereof deposited in all Reasonably Required Reserve or Replacement Funds, if any, and less the Minor Portion.

"1954 Code" means the Internal Revenue Code of 1954, as amended through August 15, 1986, or as appropriate, to the date a particular debt instrument was issued.

"No-Arbitrage Certificate" means the "Certificate under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as Amended," given by the Governmental Issuer with respect to Governmental Obligations.

"Non-Governmental Person" means any natural person and any entity, other than a Governmental Entity.

"Nonpurpose Investment" means any Investment Property other than a Purpose Investment.

"Nonqualified Portion" means the portion of Governmental Obligations no longer deemed to finance Governmental Facilities following any Change in Use of such facilities, provided that the Nonqualified Portion is determined using the highest percentage of Private Use in the one-year period commencing with the Change in Use.

"Periodic Fixed Fee" means a fixed dollar amount for a specified period of time, which may increase automatically, based on a specific, objective, external standard unrelated to the output or efficiency of the facility being managed.

"Permitted Carryover" means an amount that does not exceed the greater of the earnings on the Bona Fide Debt Service Fund for Governmental Obligations for the immediately preceding Bond Year or one-twelfth (1/12) of the Debt Service of the obligations for the immediately preceding Bond Year.

"Per-Unit Fee" means a fee for each service performed, provided that the fee is specified in the contract, or is determined by an Independent person or organization or by the Governmental Issuer, which may also increase automatically, based on a specific, objective, external standard unrelated to the output or efficiency of the facility being managed.

"Pledged Fund" means any amount pledged, directly or indirectly, to pay Debt Service of Governmental Obligations, which provides reasonable assurance of such amounts being paid even if the Governmental Issuer experiences financial difficulties. Pledged Funds include amounts subject to a Negative Pledge.

"Pre-TRA Bond" means any Governmental Obligation the interest on which was excludible from gross income for federal income tax purposes pursuant to Sections 103 or 103A of the 1954 Code.

"Private Activity Bond" means any Governmental Obligation if (i) there is more than ten percent (10%) Private Use of the Proceeds of such obligations and more than ten percent (10%) of the principal of or interest on the obligations is secured or to be paid, either directly or indirectly, by any Private User; (ii) more than the lesser of five percent (5%) of the Proceeds of the obligations or $5,000,000 is used to make Private Loans; (iii) there is more than five percent (5%) Unrelated Private Use and more than five percent (5%) of the principal of or interest on the obligations is secured or to be paid, either directly or indirectly with respect to or from property financed with the Proceeds of the obligations that is used in an Unrelated Private Use; or (iv) there is more than five percent (5%) Disproportionate Private Use and more than five percent (5%) of the principal of or interest on such obligations is secured or to be paid, either directly or indirectly with respect to property financed with the obligations that is used in a Disproportionate Private Use, all as described in Section 141 of the Code.

"Private Loan" means any loan, directly or indirectly, of any of the Proceeds of Governmental Obligations to any Non-Governmental Person.

"Private Use" means the Use of any Proceeds of Governmental Obligations or any Governmental Facilities by Private Users.

"Private User" means any Non-Governmental Person, other than a natural person not engaged in a trade or business.

"Proceeds" means all Sale Proceeds, Investment Proceeds and Transferred Proceeds of Governmental Obligations.

"Purchase Price" means fair market value, as provided in Treas. Reg. § 1.148-5(d).

"Qualified Administrative Fee" means any reasonable, direct administrative cost, other than a carrying cost, such as a separately stated brokerage or selling commission, but does not include any legal or accounting fee, record keeping, custody, or similar costs, or general overhead costs and similar indirect costs of the Governmental Issuer.

"Qualified Alternative Use" means Use of Governmental Facilities by any person other than the Governmental Issuer of Governmental Obligations that financed such facilities following a Change in Use of the facilities in a manner that would qualify under any provision of Sections 103 and 141 through 150 of the Code, provided that all of the requirements of Treas. Reg. § 1.141-12(f) are satisfied and the acquisition is not financed with the Proceeds of an issue of Tax-Exempt Bonds other than such obligations or Refunding Bonds.

"Qualified Cash Defeasance" means the creation, with Investment Property purchased with the Disposition Cash remaining after being allocated to other Remedial Actions, of a Yield-Restricted Escrow within ninety (90) days after the sale, exchange or other disposition resulting in a Change in Use of any Governmental Facility to defease a pro rata portion of the Governmental Obligations issued to finance the facility at the earliest call date available,

provided that the Commissioner of the Internal Revenue Service is notified of the establishment of such escrow within ninety (90) days after its creation.

"Qualified Cash Redemption" means the retirement or redemption, with the Disposition Cash remaining after being allocated to Qualified Replacements, if any, of a pro rata portion of the Nonqualified Portion of Governmental Obligations within ninety (90) days after the sale, exchange or other disposition resulting in a Change in Use of any Governmental Facility financed with the Proceeds of such obligations. Although generally a pro rata portion of each maturity of the obligations must be retired or redeemed, the Governmental Issuer may instead retire or redeem any obligation so long as the weighted average maturity of the remaining obligations is not greater than the weighted average maturity of all the obligations immediately prior to the retirement or redemption.

"Qualified Defeasance" means the creation, with Investment Property of a Yield-Restricted Escrow within ninety (90) days after any Change in Use of any Governmental Facility to defease the Nonqualified Portion of the Governmental Obligations issued to finance the facility remaining after any Qualified Redemption at the earliest call date available, provided that the Commissioner of the Internal Revenue Service is notified of the establishment of such escrow within ninety (90) days after its creation, and a Qualified Cash Defeasance.

"Qualified 501(c)(3) Bond" means any Qualified Private Activity Bond that satisfies the requirements of Section 145 of the Code.

"Qualified Guarantee Fee" means any expenditure incurred in connection with obtaining a qualified guarantee of Governmental Obligations, within the meaning of Treas. Reg. § 1.148-4(f).

"Qualified Private Activity Bond" means any Private Activity Bond that satisfies the requirements of Section 141(e) of the Code.

"Qualified Redemption" means (i) the retirement or redemption of the Nonqualified Portion of Governmental Obligations within ninety (90) days after the Change in Use of any Governmental Facility financed with such obligations, and (ii) a Qualified Cash Redemption. Although generally a pro rata portion of each maturity of the obligations must be retired or redeemed, the Governmental Issuer may instead retire or redeem any obligation so long as the weighted average maturity of the remaining obligations is not greater than the weighted average maturity of all the obligations immediately prior to the retirement or redemption.

"Qualified Replacement" means the purchase, with Disposition Cash, of Replacement Property within two (2) years after the date of any sale, exchange or other disposition resulting in the Change in Use of a Governmental Facility, provided that any remaining Disposition Cash is used for a Qualified Cash Redemption or a Qualified Cash Defeasance.

"Reasonable Use Expectation" means the expectation, reasonably based on the facts known on the Closing Date of Governmental Obligations, that the facilities financed with the Proceeds of such obligations would be used as Governmental Facilities for a substantial period before any Private Use, provided that the Governmental Issuer does not enter into any arrangements with respect to such facilities with any Private User prior to such Closing Date.

"Reasonably Required Reserve or Replacement Fund" means any fund that is pledged as security for or is available for payment of any Debt Service of any Governmental Obligation and is reasonably required by the lender, a State or other governmental or regulatory authority having jurisdiction over the Governmental Issuer, a national bond rating agency, or an underwriter or financial advisor and that satisfies the limitations of Treas. Reg. § 1.148-2(f).

"Rebate Amount" means the excess of the Future Value of "Receipts" over the Future Value of "Payments" (each as defined in the Treasury Regulations) from and for Nonpurpose Investments, pursuant to Treas. Reg. § 1.148-3(b). For this purpose, a "computation credit" of $1,000 shall be treated as a "Payment" made on the last date of each Bond Year during which there are Gross Proceeds of the Governmental Obligations invested that are subject to the rebate provisions of Section 148(f) of the Code and Treas. Reg. § 1.148-3.

"Rebate Analyst" means Bond Counsel or a nationally recognized Independent public accounting firm.

"Rebate Payment" means the amount of Required Rebate that must be remitted to the United States Treasury pursuant to the Code and Treasury Regulations thereunder, plus penalties and interest, if any.

"Redemption Date" means the date on which the final payment of Debt Service of Governmental Obligations is made, whether upon maturity, redemption or acceleration thereof.

"Refunding Bond" means any Governmental Obligation the Proceeds of which are used to pay the Debt Service of or premium on another obligation of the obligor or of any Related Person, as provided in Treas. Reg. § 1.150-1(d).

"Reimbursement Allocation" means a written allocation of the Proceeds of Governmental Obligations intended to reimburse, pursuant to a Reimbursement Resolution, the Governmental Issuer for Capital Expenditures for facilities being financed with such obligations that were paid no earlier than sixty (60) days prior to the date of the Reimbursement Resolution, provided that any such allocation is made within eighteen (18) months after the later of the date the Capital Expenditure was paid or the date such facilities are placed in service, but in no event later than three (3) years after the payment date of the expenditure. Any written allocation made within thirty (30) days after the Closing Date of such obligations shall be treated as if made on such Closing Date.

"Reimbursement Resolution" means a declaration of intent, pursuant to Treas. Reg. § 1.150-2, issued under the Code, by a Governmental Issuer to finance Capital Expenditures with debt. For this purpose, the issuance of debt to finance specific facilities shall constitute a Reimbursement Resolution, the date of adoption of which shall be no later than the Closing Date of such debt.

"Related Governmental Use" means any Use of Governmental Facilities by a Governmental Entity that is related to the Use of such facilities by a Private User.

"Related Person" means a "related person" within the meaning of Section 147(a)(2) of the Code and a "related party" within the meaning of Treas. Reg. § 1.150-1(b).

"Related Private Use" means any Private Use that is not Unrelated Private Use.

"Remedial Action" means a Qualified Alternative Use, a Qualified Defeasance, a Qualified Redemption and/or a Qualified Replacement, provided that the Remedial Action Conditions are satisfied.

"Remedial Action Conditions" means that (i) either the Governmental Issuer (a) expected on the Closing Date of Governmental Obligations that there would be no Private Use of any facilities financed with the Proceeds of such obligations nor any Private Loan of any of such Proceeds, or (b) such obligations were subject to a Mandatory Redemption Provision, (ii) the weighted average maturity of such obligations on their Closing Date is not greater than 120 percent of the average reasonably expected economic life of the facilities financed with such Proceeds, (iii) the Private Use or Private Loan is granted at fair market value on bona fide, arm's length terms and (iv) the Proceeds of such obligations were originally spent for a Governmental Purpose.

"Renewal Option" means a legally enforceable right to renew a contract.

"Replacement Proceeds" means amounts replaced by Proceeds of Governmental Obligations, including any sinking fund, Pledged Fund, reserve or replacement fund, or other funds that would be expected to be used to pay Debt Service of any such obligations, within the meaning of Treas. Reg. § 1.148-1(c).

"Replacement Property" means any Governmental Facility.

"Required Rebate" means the amount determined by subtracting the Future Value, as of each Computation Date for Governmental Obligations, of all Rebate Payments for such obligations previously made from (i) on an Installment Computation Date for the obligations, at least ninety percent (90%) of the Rebate Amount determined as of that date, and (ii) on the Final Computation Date for the obligations, the Rebate Amount.

"Residential Rental Property" means any residential rental property for family units not located in the jurisdiction of the Governmental Issuer or not acquired to implement a court ordered or approved housing desegregation plan.

"Sale Date" means the first day on which the Governmental Issuer and the original purchasers of Governmental Obligations are bound, in writing, to the sale and purchase of such obligations on specific terms that are not later modified or adjusted.

"Sale Proceeds" means the Issue Price of Governmental Obligations, including amounts paid or deemed paid as underwriters' discount, but excluding amounts paid for interest accrued prior to the Closing Date of such obligations.

"Service Contract" means a contract between the Governmental Issuer and a Service Provider under which the Service Provider provides services involving any portion or function of a Governmental Facility.

"Service Provider" means any Private User that provides management or other services.

"SLGS" means any security that is part of the United States Treasury Obligation - State and Local Government Series.

"Spendable Proceeds" means Net Sale Proceeds of Governmental Obligations.

"State" means any state and possession of the United States of America and the District of Columbia.

"Target Date" means each of the dates by which the Construction Expenditure Amounts for Governmental Obligations must be spent. The First Target Date for such obligations is six (6) months after the Closing Date of the obligations; the Second Target Date is one (1) year after such Closing Date; the Third Target Date is eighteen (18) months after such Closing Date; the Fourth Target Date is two (2) years after such Closing Date and the Fifth Target Date is three (3) years after such Closing Date.

"Tax-Exempt Bond" means (i) any Governmental Obligation the interest on which is excludible from gross income for federal income tax purposes, pursuant to Sections 103 and 150(a)(6) of the Code, (ii) any Pre-TRA Bond, (iii) certain tax-exempt mutual funds, as provided in Treas. Reg. § 1.150-1(b), and (iv) any Demand Deposit SLGS.

"Transferred Proceeds" means any Proceeds of Governmental Obligations that become Proceeds of other Governmental Obligations, pursuant to Treas. Reg. § 1.148-9, following redemption of the former obligations.

"Treasury Regulation" and "Treas. Reg." means any Regulation, Proposed Regulation or Temporary Regulation, as may be applicable, issued by the United States Treasury Department pursuant to the Code or the 1954 Code, as appropriate.

"United States" means the United States of America and any agency or instrumentality thereof.

"United States Treasury Obligation" means any Investment Property that is an obligation of the United States Treasury.

"Unrelated Person" means any person and any entity that is not a Related Person and is Independent.

"Unrelated Private Use" means any Private Use that is not related to the Use by a Governmental Entity of Governmental Facilities.

"Unrelated Trade or Business" means a trade or business or similar activity carried on by a 501(c)(3) Organization that is unrelated to the exempt purpose of the 501(c)(3) Organization, within the meaning of Section 513 of the Code.

"Use" means (i) owning, (ii) leasing, (iii) managing or servicing, (iv) being entitled to the output of facilities financed with Governmental Obligations, or (v) having any other arrangement, agreement or understanding, whether written or oral, that (A) conveys special legal entitlements to any Private User with respect to such facilities, if available to the general public,

or (B) conveys special economic benefits to any Private User with respect to such facilities if not available for Use by the general public. Use pursuant to contracts meeting the requirements of Rev. Proc. 93-19, 1993-1 C.B. 526 or Rev. Proc. 97-13, 1997-1 C.B. 632, as modified by Rev. Proc. 2001-39, whichever is applicable, any applicable successor Revenue Ruling or Procedure or United States Treasury Regulation or as described in Section 1(d) of this Memorandum, does not constitute Use. Use by a natural person as an employee for federal income tax purposes of a user does not constitute Use.

"Yield" means that discount rate which, when computing the present value of all payments of Debt Service to be made on an obligation, produces an amount equal to, in the case of Governmental Obligations, their Issue Price, and in the case of any Investment Property purchased with the Gross Proceeds of Governmental Obligations, its Purchase Price, pursuant to Treas. Regs. §§ 1.148-4 and -5.

"Yield Reduction Amount" means, on each Installment Computation Date for Governmental Obligations, at least ninety percent (90%) of the excess of the Future Value of "Receipts" over the Future Value of "Payments" (each as defined in the Treasury Regulations) from and for Eligible Yield-Restricted Proceeds of such obligations invested at a Materially Higher Yield, less the Future Value of any previously paid Yield Reduction Payments for the obligations and, on the Final Computation Date, one hundred percent (100%) of the excess of the Future Value of "Receipts" over the Future Value of "Payments" (each as defined in the Treasury Regulations) from and for Eligible Yield- Restricted Proceeds of the obligations invested at a Materially Higher Yield, less the Future Value of any previously paid Yield Reduction Payments.

"Yield Reduction Payment" means any payment of the Yield Reduction Amount for Governmental Obligations made to the United States Treasury pursuant to Treas. Reg. § 1.148-5(c) with respect to Eligible Yield-Restricted Proceeds of such obligations invested at a Materially Higher Yield.

"Yield-Restricted Escrow" means Investment Property held in an Escrow Fund that, either together, or if Treas. Reg. § 1.148-10(b) applies, individually, may not be at a Materially Higher Yield, pursuant to Treas. Reg. § 1.148-2.

"Yield-Restricted Investment Computational Base" means the initial amount of Gross Proceeds of Governmental Obligations invested in the Investment Property.

"Yield-Restricted Proceeds" means any Gross Proceeds of Governmental Obligations that may not be invested at a Materially Higher Yield, pursuant to Section 148 of the Code.

CITY OF CHARLESTON
POST-ISSUANCE COMPLIANCE POLICY

Adopted: July 1, 2015

This Post-Issuance Compliance Policy (this "Policy") is being adopted by the City of Charleston (the "City") in order to promote compliance by the City with the requirements of federal and state law and the covenants in its bond documents that apply following the issuance of Bonds (as hereinafter defined) by or on behalf of the City. For purposes of this policy, the term "Bonds" means any obligations of the City incurred for the purpose of borrowing money, including, without limitations, bonds, notes and lease-purchase agreements.

ARTICLE I
PURPOSE AND SCOPE OF POLICY

1.1 This Policy documents practices and describes various procedures and systems to maximize the likelihood that applicable post-issuance compliance requirements related to Bonds issued by or on behalf of the City are followed. As an issuer and/or obligor of Bonds, the City is required by the terms of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended from time to time, and including the Regulations promulgated thereunder (collectively, the "Code"), to take certain actions after the issuance of Bonds to maintain their continuing tax-exempt status, if any. Further, this Policy is intended to manage and mitigate risk associated with the terms, conditions and agreements contained in all documents governing indebtedness of the City.

1.2 The City reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The City also reserves the right to amend these policies and procedures from time to time.

ARTICLE II
RESPONSIBILITIES AND PROCEDURES

2.1 Oversight. The City Manager and the Finance Committee of the City Council shall bear responsibility for oversight of this Policy. The City Manager and City Attorney shall (i) receive quarterly updates from the Compliance Officer identified below regarding compliance with this Policy and (ii) report to the City Council annually regarding compliance with this Policy.

2.2 Compliance Officer. The specific person to be responsible for maintaining this Policy (the "Compliance Officer") and reporting at least quarterly to the City Manager and City Attorney are hereby identified as:

Name: Tia Robertson
Title: City Auditor

2.3 Violation of Policy. Promptly upon obtaining knowledge of any violation of or noncompliance with this Policy, the Compliance Officer shall notify the City Manager and take all necessary or appropriate actions to remedy such noncompliance in a timely manner.

2.4 External Advisors. The City shall consult with bond counsel and other legal counsel and advisors, as needed, when issuing Bonds and following the issuance of Bonds to identify compliance requirements.

ARTICLE III
CONTINUING DISCLOSURE COMPLIANCE

3.1 General. The City is committed to accurate market disclosure in accordance with the disclosure requirements under the federal securities laws, including rules and regulations promulgated by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board or any successor thereto ("MSRB"), as those rules may be amended from time to time. This Policy shall be amended from time to time as necessary or desirable as Bonds mature and are redeemed and as Bonds that are subject to Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended and officially interpreted from time to time (the "Rule"), are issued.

3.2 Definitions. In addition to the terms defined above, the following capitalized terms shall have the following meanings:

"**Annual Financial Information**" means financial information and operating data of the City required by an Undertaking to be submitted at least annually to the MSRB through EMMA, including but not limited to, the CAFR.

"**CAFR**" means the City's Comprehensive Annual Financial Report.

"**Disclosure Documents**" means the official statements, offering and reoffering circulars and similar disclosure documents prepared by or on behalf of the City in connection with the primary offering of its Bonds.

"**Dissemination Agent**" means Digital Assurance Certification, L.L.C. or any successor Dissemination Agent designated in writing by the City.

"**EMMA**" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at http://emma.msrb.org/.

"**Event**" means any of the events listed in Schedule 1 to this Policy.

"**Fiscal Year**" means the fiscal year of the City, being the period commencing on July 1 and ending on the following June 30.

"**Required Disclosures**" means, collectively, all Annual Financial Information and Events required to be submitted under the Undertakings.

"**Rule**" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"**Undertakings**" means those written undertakings of the City to file certain annual financial information and operating data and notice of the occurrence of certain material events executed in connection with the primary offering of certain Bonds.

3.3 Issuance and Primary Market Disclosure Obligations.

(a) When the City or another entity on behalf of the City issues Bonds, preliminary and/or final Disclosure Documents are prepared by or on behalf of the City. The City Manager and the Compliance Officer in consultation with legal counsel, shall share primary responsibility for ensuring that all such information is accurate and not misleading in any material respect and that it does not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, with assistance from the City's financial advisor and counsel, utilizing appropriate due diligence procedures and verification of financial information and operating data.

(b) In connection with each issuance of Bonds, the Mayor of the City or the City Manager on the closing date of the Bonds shall provide certifications collectively providing that on the sale date and as of the closing date of the Bonds, the information contained in any Disclosure Document does not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements contained in the Disclosure Documents, in light of the circumstances under which they were made, not misleading. The Mayor or the City Manager shall also include in such certifications a statement that, except as disclosed in the final official statement, there has been no material adverse change in the financial condition of the City since the sale date of the Bonds.

3.4 Secondary Market Disclosure.

(a) **Annual Submission of Annual Financial Information.** Not later than two hundred seventy (270) days after the end of each fiscal year (or earlier if required under a particular Undertaking), while any Bonds remain outstanding, the Compliance Officer shall (i) identify the relevant Undertakings that require annual submission of the Annual Financial Information; (ii) shall identify CUSIP numbers of Bonds related to such Undertakings; and (iii) shall submit or cause the Annual Financial Information to be submitted by the Dissemination Agent to the MSRB through EMMA and linked to all such CUSIP numbers. In the event that the Annual Financial Information is not completed in time to submit the Annual Financial Information to the MSRB through EMMA within two hundred seventy (270) days after the end of a fiscal year (or earlier if required under a particular Undertaking), the Compliance Officer will, or shall cause the Dissemination Agent to (i) file a notice of occurrence of such Event in accordance with the Rule and, if required by any Undertakings, will submit the City's unaudited financial statements; and (ii) submit the Annual Financial Information to the MSRB as soon as it is available. Not more than five (5) days after the submission of the Annual Financial Information to the MSRB, the Compliance Officer shall provide to the City Manager written confirmation that the Annual Financial Information has been submitted and filed properly with the MSRB through EMMA.

The Annual Financial Information may be incorporated by reference into other documents, including Disclosure Documents, which have been filed with the MSRB through EMMA or the SEC. The Compliance Officer shall clearly identify each such incorporation by reference. In the event that the Compliance Officer determines to so incorporate by reference the Annual Financial Information, the Compliance Officer shall, or shall cause the Dissemination Agent to also file a notice through EMMA indicating that the Annual Financial Information for that year is contained in documents filed with the SEC or with the MSRB through EMMA.

(b) **Periodic Reporting of Events.** Whenever any employee of the City obtains actual knowledge of the occurrence of an Event, that employee must inform the Compliance Officer as soon as possible so that notice of such Event may be filed in accordance with this subsection. After consultation with, and with the prior approval of, the City Manager, the Compliance Officer shall prepare and file, or cause the Dissemination Agent to file, a notice of the occurrence of any Event or Events with the MSRB through EMMA with respect to any Bonds to which the Event or Events are applicable, in a timely manner not in excess of ten (10) business days after the occurrence of the Event, as required by the Rule. The Events which are required to be disclosed are listed on Schedule 1 hereto, which Schedule the Compliance Officer is responsible for updating in a timely manner in the event that there are future changes to the Rule that result in additions, changes or deletions to the list of Events. The Compliance Officer, with the assistance of counsel, shall determine the materiality of an Event if applicable under the list in Schedule 1. Not less than three (3) business days after providing notice of an Event to the MSRB, the Compliance Officer shall provide a copy of the notice submission filed with the MSRB to the City Manager, along with written confirmation that such notice submission was properly filed with the MSRB through EMMA, as required by the Rule.

(c) **Manner of Submission.** The Compliance Officer, shall submit, or cause to be submitted through the Dissemination Agent, the Required Disclosures to be submitted to the MSRB pursuant to this Policy in an electronic format, searchable pdf, if applicable, and such Required Disclosures shall be accompanied by identifying information, including all relevant CUSIP identification numbers of outstanding Bonds, in the manner prescribed by the MSRB, or in such other manner as is consistent with the Rule. The City shall submit the Required Disclosures to EMMA through its Dissemination Agent and shall store copies, which may be maintained electronically, of confirmations of receipt of each filing submitted to the Dissemination Agent, which the Dissemination Agent has agreed to provide to the City.

(d) **Voluntary Disclosure.** The Compliance Officer may, from time to time, in consultation with the City Manager or upon the advice of counsel or other advisors, voluntarily submit information to EMMA related to bank loan financings and private placements as recommended in MSRB Notice 2012-18 including, without limitation, copies of the loan or financing agreement or, alternatively, a summary of certain features of the bank loan or private placement including, without limitation, the following:

(i) name of the lender;
(ii) purpose of the loan/financing;
(iii) source of repayment;
(iv) security for repayment;
(v) description of third party guarantees;

(vi) dated date/closing date;
(vii) par amount of the loan;
(viii) interest rate (or index, if variable), including method of computation, if applicable;
(ix) payment dates;
(x) maturity and amortization of loan;
(xi) optional, mandatory and extraordinary prepayment provisions;
(xii) tax status of interest;
(xiii) events of default/remedies;
(xiv) current credit rating of borrower (if applicable);
(xv) governing law;
(xvi) CUSIP number, if applicable; and
(xvii) redistribution rights, if applicable.

(each, a "Voluntary Disclosure"). The Compliance Officer shall not be required to furnish or update such Voluntary Disclosure but may do so in the interest of providing information to the City's bondholders that may be useful in making informed investment decisions.

3.5 Public Statements. Whenever statements are made or information is released relating to the City's finances and operations that is reasonably expected to reach investors and the trading markets (including, without limitation, all Event notices, Annual Financial Information and other reports and statements of the City), the Compliance Officer shall ensure that such statements and information are complete, true and accurate in all material aspects. The City Manager shall work to ensure that all public statements and information released by the City are accurate and not misleading in all material aspects and that the City complies with all applicable requirements of the Rule regarding continuing disclosure.

ARTICLE IV
FEDERAL TAX LAW COMPLIANCE

4.1 Allocation of Proceeds. All expenditures of tax-exempt bond proceeds must be tracked until the bond proceeds are spent. For purposes of Private Use (as hereinafter defined) and rebate analysis, the Compliance Officer shall identify and monitor the allocation of the expenditures (e.g. to facilities, equipment, cost, etc.) and timing of the expenditures in compliance with all applicable Internal Revenue Service ("IRS") requirements. Documents should be retained, in accordance with Article V, to evidence the allocation of bond proceeds. These documents include, but are not limited to, requisitions, draw schedules, draw requests, invoices, cancelled checks, construction or purchase contracts. In addition, documents evidencing pre-issuance expenditures that are reimbursed with bond proceeds should be retained, along with any corresponding reimbursement resolution.

4.2 Private Business Use of Bond-Finance Facilities. The Compliance Officer and the City Manager shall consult with bond counsel before entering into any agreement or other arrangement for the sale, lease, management or use of Bond-financed property, including without limitation, service, vendor or management contracts, leases, research agreements, licenses to use Bond-financed property, agreements granting special rights or entitlements to any private party

or naming rights agreements. Further, the Compliance Officer shall confer at least annually with City employees responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets, to determine that those uses are consistent with all covenants and restrictions set forth in a tax certificate relating to applicable Bonds. To the extent that the Compliance Officer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed assets will or may be violated, the Compliance Officer shall consult promptly with bond counsel and other legal counsel and advisors to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

4.3 Arbitrage and Rebate.

(a) In general, arbitrage arises when tax-exempt bond proceeds are invested and the yield on the investments is greater than the yield on the bonds. The Code contains two separate sets of requirements relating to arbitrage, yield restriction and rebate, which must be complied with to ensure that tax-exempt bonds do not lose their tax-exempt status.

(b) The investment of tax-exempt bond proceeds must be tracked and diligently reviewed by the Compliance Officer until all of the proceeds are spent. The tax regulations include yield restriction rules, which limit the yield at which the proceeds may be invested. Generally, yield restricted investments must not be invested at a yield "materially higher" than the yield on the tax-exempt bonds.

(c) If the yield restriction rule is violated, then the City must rebate to the IRS a "rebate amount" that is calculated with respect to the bond proceeds. The rebate amount is equal to the yield on certain investments purchased with the proceeds of the bonds in excess of the yield on the bonds, plus all income attributable to the excess. Rebates must be made to the federal government within sixty (60) days after the end of every fifth bond year and within sixty (60) days after the last bond is redeemed. Detailed records of any transactions that may have an effect on either the yield on the bonds or the yield on the investments should be maintained. The City shall be responsible for determining whether any arbitrage rebate calculations need to be performed. If it is determined that such calculations are or are likely to be required, the City shall engage expert advisors (each, a "Rebate Service Provider") to assist in the arbitrage calculation, or shall determine that it has adequate financial, accounting and legal resources of its own to make such calculations. The City shall make any rebate payments required on a timely basis.

(d) The rebate requirements with respect to a construction bond issue will be deemed to be satisfied if all "available construction proceeds" are allocated as follows (measured from the date of the issuance of the bonds): (i) at least 10% within six (6) months, (ii) at least 45% within twelve (12) months, (iii) at least 75% within eighteen (18) months and (iv) 100% within twenty-four (24) months. These are subject to certain exceptions, including that bonds do not fail to satisfy the spending requirement for the fourth spend-down period (i.e., 100% within two (2) years of the Issue Date) if the only

unspent available construction proceeds are amounts for Reasonable Retainage[1] if such amounts (together with all earnings on such amounts) are allocated to expenditures within three (3) years of the Issue Date. The City will seek to comply with these exceptions for all bond issuances involving construction proceeds.

4.4 Post-Issuance Modifications. The City Manager and the Compliance Officer shall consult with bond counsel before making any modifications or amendments to the bond documents for a bond issue, including without limitation, entering into or modifying investment agreements; making any change in security for Bonds; engaging in post-issuance credit enhancement transactions (e.g., bond insurance or letter of credit) or hedging transactions; terminating or appointing successor trustees; releasing any liens; or reissuing or refunding Bonds.

4.5 Remediation. Adherence to this Policy will enable the City to identify violations of federal tax-exempt bond requirements in a timely manner. Whenever anyone identifies a potential violation of a federal tax requirement, a change in use of equipment or a facility financed with tax-exempt debt that may result in Private Use or a violation of this Policy, that person should immediately notify the Compliance Officer. The Compliance Officer will determine whether it is in fact a violation and, if so, will work with bond counsel to determine whether there are any feasible remedial actions available under applicable regulations. If the City determines or is advised that corrective action is necessary with respect to any issue of Bonds, the City will in a timely manner: (i) take remedial actions described under Section 1.141-12 of the Code, (ii) seek to enter into a closing agreement with the IRS pursuant to the Tax-Exempt Bonds Voluntary Closing Agreement Program ("VCAP") or (iii) take such other actions as recommended by bond counsel. If no self-remediation actions are available or desirable, the City Manager in consultation with bond counsel will disclose non-compliance and attempt to negotiate a closing agreement with the IRS under VCAP.

ARTICLE V
DOCUMENT RETENTION

5.1 Record retention is essential to supporting tax deductions, credits and exclusions. All records should be retained until they are no longer material to any series of tax-exempt bonds or tax filing. Records relating to a tax-exempt bond issuance should be kept for as long as the bonds are outstanding, plus three years after the final redemption date of the bonds or any bonds issued to refund the bonds. The record retention period begins with the date of the original issuance of the bonds that have been refunded.

5.2 The Compliance Officer is responsible for seeing that the required documents are compiled and retained. The decision regarding whether a particular document must be retained

[1] "Reasonable Retainage" means an amount, not to exceed 5% of the net sale proceeds of the issue that is retained for reasonable business purposes relating to the property financed with proceeds of the issue. For example, Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the City reasonably determines that a dispute exists regarding completion or payment.

should be made on a case-by-case basis. Generally, the IRS has indicated that documents that should be retained include, but are not limited to:

(a) A copy of the bond transcript, which shall include, without limitation, the basic financing documents from each bond transaction, including the master trust indenture, bond indentures, loan agreements, authorizing resolutions, bond counsel opinion and tax agreements;

(b) All material documents related to bond expenditures and allocation documentation, including requisition forms, trustee statements, construction contracts, purchase orders, invoices, payment records and any other documents describing how bond proceeds have been allocated, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;

(c) Documentation demonstrating the use of Bond-financed property by public and private sources, including management contracts, research agreements and leases;

(d) Documentation generated during the compliance process, such as questionnaires and spreadsheets;

(e) Documentation of all sources of payment or security for bonds;

(f) Documentation regarding the investment of bond proceeds, including, without limitation, the purchase and sale of securities, SLGs subscriptions, yield calculations for each investment class, actual investment income received from the investment of proceeds, guaranteed investment contracts, rebate calculations, arbitrage reports and underlying documents and any bidding documents; and

(g) Any other documentation that is material to the bonds or the Bond-financed property based on the particular facts of an issuance.

The Compliance Officer shall ensure that the required documents are compiled and retained. The decision regarding whether a particular document must be retained shall be made on a case-by-case basis.

5.3 Because records must be retained until they are no longer material, the City may choose to maintain electronic copies. Electronic records are permissible as long as they comply with Revenue Procedure 97-22, 1997-1 C.B. Section 4.01 of Revenue Procedure 97-22 provides the general requirements for an electronic storage system and the City shall adhere to all such requirements to the extent the City elects to maintain electronic records.

ARTICLE VI
TRAINING

6.1 Annual training shall be conducted regarding disclosure obligations for each of the following: (i) the Compliance Officer, (ii) the City Manager and (iii) employees designated by the Compliance Officer or the City Manager to carry out any of the requirements of this Policy. The annual training shall include a complete review of this Policy, the Rule, the Undertakings, the Events listed on Schedule 1 hereto and changes in federal tax law. The Compliance Officer may contract with an experienced independent third party for this training. Upon completion of the annual training, all employees will provide written certification that they have completed the annual disclosure training and that they have reviewed and understand the Policy, the Rule, the Undertakings, the Events listed on Schedule 1 hereto and federal tax law requirements for tax-exempt bonds, and that they will comply with this Policy.

ARTICLE VII
MISCELLANEOUS

7.1 Nothing contained in this Policy shall be deemed to be a covenant, agreement or obligation of an officer, employee, member of Council, or agent of the City in his or her individual capacity, and no such person shall incur any personal liability with respect to any action taken by him or her pursuant to this Policy, provided he or she acts in good faith.

7.2 This Policy is for the sole benefit of the City. It is not to be relied upon by any third parties and does not create in, or grant to, any third parties rights, claims or privileges.

7.3 A copy of this Policy shall be provided to City Council upon adoption, and a copy of this Policy shall be maintained in the offices of the City Clerk and City Auditor.

Date Adopted: July 1, 2015

Compliance Officer

City Manager

Schedule 1 to Disclosure Policy
List of Events

The SEC requires notification of the occurrence of any of the Events listed as (1) through (14) below with respect to any applicable securities. Notification must be provided in a timely manner, but not more than ten (10) business days after its occurrence.

1. Principal and interest payment delinquencies;

2. Nonpayment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to tax status of the security, or other events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or a similar event by the Obligated Person;[2]

13. Consummation of a merger, consolidation, acquisition involving an Obligated Person, or sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or

[2] For the purposes of the event identified in Section 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person. Under the Rule, the term "Obligated Person" means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations of the municipal securities sold in the offering (other than providers of municipal bond insurance, letters of credit or other liquidity facilities).

determination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.

$13,145,000
THE CITY OF CHARLESTON, WEST VIRGINIA
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2016 A

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Underwriters") that he is the duly elected and acting Mayor of The City of Charleston (the "City"), authorized to execute and deliver this Certificate and further certifies on behalf of the City to the Underwriters as follows:

(1) This Certificate is delivered to enable the Underwriters to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the City's Sewerage System Revenue Bonds, Series 2016 A (the "Bonds").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated September 7, 2016, setting forth information concerning the Bonds and the City (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriters and other terms of the Bonds and any underlying obligations depending on such matters, all with respect to the Bonds and any underlying obligations.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final bond purchase agreement, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriters thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 7th day of September, 2016.

THE CITY OF CHARLESTON

By: _____
Mayor

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

RECEIPT FOR BONDS

The undersigned, Greg Isaacs, Senior Vice President of Crews & Associates, Inc., on behalf of itself and Piper Jaffray & Co. (collectively, the "Underwriter"), hereby certifies as follows:

1. On the 22nd day of September, 2016, in Charleston, West Virginia, the Underwriter received through The Depository Trust Company (i) the entire aggregate principal amount of the $13,145,000 Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), of The City of Charleston (the "Issuer"), dated September 22, 2016, issued in various denominations, and numbered AR-1 to AR-18, inclusive (the "Bonds").

2. At the time of such receipt of the Bonds, they had been executed by the Mayor of the Issuer and attested by the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been impressed upon the Bonds.

WITNESS my signature on this 22nd day of September, 2016.

CREWS & ASSOCIATES, INC.

Senior Managing Director

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

RECEIPT FOR BOND PROCEEDS

The undersigned Mayor of The City of Charleston (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On the 22nd day of September, 2016, the Issuer received and hereby acknowledges receipt from Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Underwriter"), as the original purchasers of The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated September 22, 2016 (the "Bonds"), of the purchase price of the Bonds as follows:

Par Amount of Series 2016 A Bonds	$13,145,000.00
Less: Underwriter's Discount	64,410.50
Plus: Original Issue Premium	993,591.00
Total	$14,074,180.50

Payment for the Bonds was made in immediately available funds (federal funds wire).

WITNESS my signature on this 22nd day of September, 2016.

THE CITY OF CHARLESTON

Mayor

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

REQUEST AND AUTHORIZATION TO
AUTHENTICATE AND DELIVER THE BONDS

United Bank, Inc.,
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bonds Nos. AR-1 through AR-18, constituting the entire original issue of The City of Charleston (West Virginia) Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated September 22, 2016, in the aggregate principal amount of $13,145,000 (the "Bonds"), all executed by the Mayor and the City Clerk of The City of Charleston (the "Issuer"), and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Ordinance passed by the Council of the Issuer on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution adopted by the Council of the Issuer on August 1, 2016 (collectively, the "Ordinance").

2. Copies of the Ordinance certified by the City Clerk of the Issuer.

3. A list of the names in which the Bonds are to be registered upon original issue: CEDE & CO.

4. A signed, unqualified approving opinion of Jackson Kelly PLLC, as bond counsel.

5. Such other documents, certifications and verifications as the original purchaser may reasonably require.

You are hereby requested and authorized, pursuant to Section 3.12 of the Ordinance, to authenticate, register and deliver the Bonds to The Depository Trust Company, New York, New York, for the account of Crews & Associates, Inc. and Piper Jaffray & Co., as the original purchasers thereof.

Dated this 22nd day of September, 2016.

[SEAL]

THE CITY OF CHARLESTON

Mayor

ATTEST:

City Clerk

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REVENUE BONDS
SERIES 2016 A (TAX-EXEMPT)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 22nd day of September, 2016, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Bonds"), in the total aggregate principal amount of $13,145,000, pursuant to a Bond Ordinance duly passed by the Issuer on February 16, 2016, effective August 1, 2016, and a Supplemental Resolution duly adopted August 1, 2016 (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the Issuer of a Registrar for the Bonds;

WHEREAS, the Issuer has requested that the Costs of Issuance Fund be held and administered by the Registrar; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance, to hold and administer the Costs of Issuance Fund, and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Registrar shall hold and administer the Costs of Issuance Fund. The Registrar shall make disbursements from said Fund upon the written instructions of the Mayor. Any moneys remaining in the Costs of Issuance Fund 60 days after the closing date shall be transferred to the West Virginia Municipal Bond Commission for deposit into the Sinking Funds created for the Bonds.

7. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

8. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

ISSUER:

The City of Charleston
P.O. Box 2749
Charleston, WV 25330
Attention: Mayor

REGISTRAR:

United Bank, Inc.
500 Virginia Street, East
Charleston, WV 25301
Attention: Corporate Trust Department

The Issuer and the Registrar shall notify the other in writing of any change of address.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first above-written.

THE CITY OF CHARLESTON

Mayor

UNITED BANK, INC.

Authorized Officer

EXHIBIT A

See Bond Ordinance (Tab No. 7)
See Supplemental Resolution (Tab No. 8)

S&P Global
Ratings

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212-438-2000
reference no.: 1436040

July 6, 2016

Charleston Sanitary Board
208 26th Street
Charleston, WV 25387
Attention: Ms. Crystal Sanders, Finance Manager

Re: ***US$18,000,000 City of Charleston, West Virginia, Sewerage System Revenue Bonds, Series 2016A, dated: Date of delivery, due: June 01, 2031***

Dear Ms. Sanders:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA-". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street

New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings

a division of Standard & Poor's Financial Services LLC

jd
enclosures
cc: Mr. David Molgaard
Mr. Gregory Isaacs
Mr. Larry Roller
Mr. Michael Lambert
Samme L. Gee, Esq.

S&P Global
Ratings

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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S&P Global
Ratings

RatingsDirect®

Summary:

Charleston Sanitary Board, West Virginia; Water/Sewer

Primary Credit Analyst:
Scott Winrow, New York 212-438-4725; scott.winrow@spglobal.com

Secondary Contact:
Scott D Garrigan, Chicago (1) 312-233-7014; scott.garrigan@spglobal.com

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Summary:

Charleston Sanitary Board, West Virginia; Water/Sewer

Credit Profile		
US$18.0 mil sewerage sys rev bnds ser 2016A due 06/01/2031		
Long Term Rating	AA-/Stable	New

Rationale

S&P Global Ratings assigned its 'AA-' long-term rating to Charleston Sanitary Board (CSB), W. Va.'s series 2016A sewerage system revenue bonds, issued for the City of Charleston. The outlook is stable.

The rating reflects historical and projected strong debt service coverage and strong liquidity, as well as the application of our revised criteria, "USPF Criteria: Rating Methodology And Assumptions For U.S. Municipal Waterworks And Sanitary Sewer Utility Revenue Bonds," published Jan. 19, 2016, on RatingsDirect.

In addition, the rating reflects the combination of a strong enterprise risk profile and a very strong financial risk profile. We are applying a positive one-notch peer adjustment to the indicative rating based on strength of financial profile and moderate size of the system. The enterprise risk profile reflects our view of the system's:

- Service area participation in the moderately broad and diverse Charleston, W. Va., metropolitan statistical area;
- Ample system resources and capacity to meet the needs of the system's stable and diverse customer base;
- Moderately high rates representing 2.3% of median household effective buying income (EBI); and
- Good operational management practices and policies.

The financial risk profile reflects our view of the system's:

- Extremely strong historical all-in debt service coverage (DSC) that we believe the utility will continue to produce in the near term;
- Very strong liquidity position that believe is sustainable in the near term, despite potentially being drawn down due to using some of the utility's cash reserves to fund a portion of system capital needs;
- Moderate leverage based on a debt-to-capitalization ratio of about 55%, with no additional debt plans in the near future; and
- Good financial management practices and policies.

Net revenues derived from the sewer system secure the senior-lien bonds. We believe bond provisions are credit neutral. We understand proceeds will be applied to capital projects as well as to fund a debt service reserve.

Enterprise Risk

Our assessment of the system's enterprise risk profile as strong reflects Charleston's stable and predictable revenue and cash flow streams from low-risk sewer service, a natural monopoly in its service area, and good operational management framework.

Charleston is the capital and largest city in West Virginia. It is located in Kanawha County, at the the confluence of the Elk and Kanawha Rivers. The city's population has remained relatively stable over the past five years, increasing modestly to 50,670 in 2015 from 50,027 in 2010, representing a 1.3% increase. Income indicators, as represented by city median household effective buying income (MHEBI), are adequate, in our view, at 97% of the U.S. levels.

The CSB operates a wastewater collection system and treatment plant that provides service to the City of Charleston and adjacent areas. The plant treatment process is preliminary, primary clarification, high purity oxygen activated sludge, digestion, secondary clarification, and ultra violet disinfection. The treatment plant hydraulic capacity rate is 28 million gallons per day (mgd). With an installed recombination line, the CSB can short-term fully treat at a rate of 21 mgd. With the average flow rate at 10 mgd, we view the system as having more than sufficient capacity in the near term.

Sewer customer accounts have slightly declined to 23,147 in 2015 from 23,986 in 2010, representing a roughly 3.5% decrease over the past five years. We view the system's customer base to be diverse, as the 10 leading customer accounts comprise roughly 15% of total 2015 sewer revenues.

The board maintains full rate-setting autonomy and reviews rates annually. The utility is exempted from rate regulation and approval by the Public Service Commission of West Virginia, which we view as a credit positive. Management has demonstrated a willingness to adjust rates every four years with the effectuation of sizable increases in 2012 (30%) and 2016 (19%). Given area income levels and a county poverty rate of about 17%, we view the current rates as moderately high at about $83 per month for an average residential customer for 6,000 gallons. When annualized, this amount represents about 2.3% of MHEBI. Currently, management does not have any further rate increases planned since it expects the last rate increase to support its debt and operating expenditures over the medium term.

We have assigned an operational management score of '3' on a scale of '1' to '6', with '1' being the strongest. We view the system's operational management as good. The board has a track record of converting strategic decisions into constructive action and managing its long-term needs in a methodical manner. The sewer system has ample operational capacity to meet demand during the medium-term horizon. Management is diligently executing its long-term control plan to limit combined sewer overflows as a result of storm water contributions to the system. Management indicates the capital plan is on track and no significant issues exist that would limit operations on the system.

Financial Risk

Our assessment of the system's financial risk profile as very strong reflects the board's historically strong DSC that we expect will be consistent over time, very strong liquidity, and a good financial management framework.

We view the board's financial profile as very strong in recent years, characterized by extremely strong coverage and very strong liquidity metrics. Based on our calculations with adjustment for extraordinary items and capital contributions, all-in coverage was 2.6x, 1.9x, and 1.6x for audited fiscal years 2013, 2014, and 2015, respectively, levels we view as extremely strong. Management states fiscal 2016 estimated results are in line with the budget with extremely strong coverage estimated. Budgeted financials for 2017 estimates continued strong coverage of over 2x, aided by the March 2016 rate increase. With annual debt service payments increasing to a maximum of about $8 million in 2018 from about $7.3 million in 2016 and 2017, pro forma MADS coverage based on audited 2015 operating revenues (does not incorporate 2016 rate increase) is still strong at 1.4x.

Historically, the board has maintained liquidity at levels we consider very strong with cash on hand averaging about 468 days since fiscal 2013. At the close of fiscal 2015, the system posted $12.7 million in unrestricted cash, which equated to about 461 days' cash on hand, a level we consider very strong. For fiscal 2016, management expects to maintain at least $13 million-$15 million in unrestricted cash, which is very strong in our view. The system's leverage position is moderate in our view, as represented by a debt-to-capitalization ratio of 55% in fiscal 2015.

We have assigned a financial management score of '3' on a scale of '1' to '6', with '1' being the strongest. We view the system as good. Detailed short-term planning is done on an annual basis that incorporates current and following year budgeted years. Long-term planning is limited on an annual basis. The capital improvement program (CIP) is manageable, detailed, and composed of a variety of system improvements. The utility's existing five-year CIP covers the fiscal 2016-2020 and outlines an estimated $24 million of capital project spending with 60% of spending focused on collection system improvements. There are currently no additional debt plans.

Outlook

We expect the outlook to remain stable over the two-year outlook period. We also expect the system to maintain all-in coverage at levels we consider generally extremely strong and cash levels we consider very strong, despite using cash reserves to fund a portion of its CIP.

Upside scenario

We could raise the rating if the system successfully manages its capital needs while consistently maintaining extremely strong coverage levels and raising its liquidity to levels we consider extremely strong.

Downside scenario

We could lower the rating if cash reserves drop to levels we no longer consider very strong, coverage reaches levels we consider minimally adequate or insufficient, or the system significantly increases its debt burden.

Related Criteria And Research

Related Criteria

- USPF Criteria: Rating Methodology And Assumptions For U.S. Municipal Waterworks And Sanitary Sewer Utility Revenue Bonds, Jan. 19, 2016
- USPF Criteria: Methodology: Definitions And Related Analytic Practices For Covenant And Payment Provisions In U.S. Public Finance Revenue Obligations, Nov. 29, 2011
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- U.S. State And Local Government Credit Conditions Forecast, April 19, 2016
- U.S. Municipal Water Utilities: No News is (Probably) Good News; The Outlook is Stable, Jan. 20, 2016

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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WEST VIRGINIA MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue, Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM
Date of Report: September 22, 2016

ISSUE: The City of Charleston Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)

ADDRESS: P.O. Box 2749, Charleston, WV 25330 COUNTY: Kanawha

PURPOSE OF ISSUE: New Money X
Refunding ___ Refunds issue(s) dated: _____

ISSUE DATE: September 22, 2016 CLOSING DATE: September 22, 2016

ISSUE AMOUNT: $13,145,000 RATE: See Attached

1st DEBT SERVICE DUE: January 1, 2017 1st PRINCIPAL DUE: July 1, 2017

1st DEBT SERVICE AMOUNT: $112,224.75 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL: Goodwin & Goodwin
Contact Person: Bill Bragg
Phone: (304) 346-7000

CLOSING BANK: United Bank, Inc.
Contact Person: Kathy Smith
Phone: (304) 348-8427

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Crystal Sanders
Position: Finance Manager
Phone: (304) 348-1084 ex 226
Email: csanders@csb-wv.com

OTHER: _____
Contact Person: _____
Function: _____
Phone: _____

DEPOSITS TO MBC AT CLOSE: _____

By _____ Wire ___X___
_____ Check _____

Accrued Interest: $_____
Capitalized Interest: $_____
Reserve Account: $929,250 (See Note)
Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By _____ Wire _____ To Escrow Trustee: $_____
_____ Check _____ To Issuer: $_____
_____ IGT _____ To Cons.Invest.Fund $_____
_____ To Other:_____ $_____

NOTES: Reserve Account will be funded with a Reserve Policy from Build America Mutual Assurance Company.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required:_____
Transfers Required: _____

Final

$13,145,000

City of Charleston (West Virginia)

Sewerage System Revenue Bonds
Series 2016 A

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
01/01/2017	-	-	112,224.75	112,224.75	112,224.75
07/01/2017	365,000.00	2.000%	204,045.00	569,045.00	569,045.00
01/01/2018	-	-	200,395.00	200,395.00	200,395.00
07/01/2018	525,000.00	2.000%	200,395.00	725,395.00	725,395.00
01/01/2019	-	-	195,145.00	195,145.00	195,145.00
07/01/2019	535,000.00	2.000%	195,145.00	730,145.00	730,145.00
01/01/2020	-	-	189,795.00	189,795.00	189,795.00
07/01/2020	545,000.00	2.000%	189,795.00	734,795.00	734,795.00
01/01/2021	-	-	184,345.00	184,345.00	184,345.00
07/01/2021	560,000.00	2.000%	184,345.00	744,345.00	744,345.00
01/01/2022	-	-	178,745.00	178,745.00	178,745.00
07/01/2022	570,000.00	1.550%	178,745.00	748,745.00	748,745.00
01/01/2023	-	-	174,327.50	174,327.50	174,327.50
07/01/2023	580,000.00	1.700%	174,327.50	754,327.50	754,327.50
01/01/2024	-	-	169,397.50	169,397.50	169,397.50
07/01/2024	590,000.00	1.800%	169,397.50	759,397.50	759,397.50
01/01/2025	-	-	164,087.50	164,087.50	164,087.50
07/01/2025	600,000.00	3.000%	164,087.50	764,087.50	764,087.50
01/01/2026	-	-	155,087.50	155,087.50	155,087.50
07/01/2026	615,000.00	3.500%	155,087.50	770,087.50	770,087.50
01/01/2027	-	-	144,325.00	144,325.00	144,325.00
07/01/2027	640,000.00	4.000%	144,325.00	784,325.00	784,325.00
01/01/2028	-	-	131,525.00	131,525.00	131,525.00
07/01/2028	665,000.00	4.000%	131,525.00	796,525.00	796,525.00
01/01/2029	-	-	118,225.00	118,225.00	118,225.00
07/01/2029	690,000.00	4.000%	118,225.00	808,225.00	808,225.00
01/01/2030	-	-	104,425.00	104,425.00	104,425.00
07/01/2030	720,000.00	4.000%	104,425.00	824,425.00	824,425.00
01/01/2031	-	-	90,025.00	90,025.00	90,025.00
07/01/2031	745,000.00	4.000%	90,025.00	835,025.00	835,025.00
01/01/2032	-	-	75,125.00	75,125.00	75,125.00
07/01/2032	775,000.00	4.000%	75,125.00	850,125.00	850,125.00
01/01/2033	-	-	59,625.00	59,625.00	59,625.00
07/01/2033	810,000.00	4.000%	59,625.00	869,625.00	869,625.00
01/01/2034	-	-	43,425.00	43,425.00	43,425.00
07/01/2034	840,000.00	4.000%	43,425.00	883,425.00	883,425.00
01/01/2035	-	-	26,625.00	26,625.00	26,625.00
07/01/2035	875,000.00	3.000%	26,625.00	901,625.00	901,625.00
01/01/2036	-	-	13,500.00	13,500.00	13,500.00
07/01/2036	900,000.00	3.000%	13,500.00	913,500.00	913,500.00
	-	-	-	-	-
Total	**$13,145,000.00**	-	**$5,152,569.75**	**$18,297,569.75**	**$18,297,569.75**

Crews & Associates, Inc.
Public Finance



MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT (STAND ALONE)

ISSUER:	City of Charleston, West Virginia	EFFECTIVE DATE:	July 28, 2016
		EXPIRATION DATE:	September 25, 2016
MEMBER:	City of Charleston, West Virginia		
BONDS:	Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)		

INSURANCE PAYMENT: 3.00% of Policy Limit

POLICY LIMIT: $1,400,000.00. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement for the Bonds.

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Debt Service Reserve Insurance Policy (the "Policy") relating to the Bonds referenced above (the "Bonds") issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED OR WAIVED BY BAM, AND THE ISSUER AND MEMBER AGREE AS FOLLOWS:

1. The documents to be, or that have been, executed and delivered in connection with the issuance and sale of the Bonds (collectively, the "Security Documents") are in full force and effect and no default, breach or events of default (or event which with notice or the lapse of time would constitute an event of default) has occurred and is continuing under any of the Security Documents. The documents to be executed and delivered in connection with the

issuance and sale of the Bonds, shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof.

3. The Policy shall expire on the earlier of (a) final maturity date of the Bonds and (b) the date the Bonds are no longer outstanding under the Security Documents.

4. As of the effective date of the Policy, there shall have been no material adverse change in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds, (ii) any disclosure document relating to the Bonds, (iii) any financial statements or other information submitted to BAM, (iv) the Security Documents to be, or that have been, executed and delivered with respect to the Bonds, (v) any project to be, or that has been, financed with the proceeds of the Bonds (if applicable), (vi) the legal opinions to be, or that have been, delivered in connection with the issuance and sale of the Bonds, (vii) or any other information submitted to BAM, including the debt service schedule of the Bonds, from information previously provided to BAM.

5. The applicable Security Documents shall contain the document provisions set forth in **Exhibit A** hereto. No variation shall be permitted therefrom except as specifically approved by BAM in writing.

6. None of the Security Documents, the Bonds or any disclosure document relating to the Bonds shall contain any reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM.

7. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT RELATING TO THE BONDS SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

8. BAM shall be provided with:

(a) Copies of all drafts of the Security Document prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer's reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, each series of Bonds.

(d) A No-Litigation Certificate or a description of all material pending litigation relating to the Issuer, Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) A copy of the Debt Service Reserve Agreement between the Issuer and BAM (the "Agreement"), substantially in the form of **Exhibit B**, duly executed by the Issuer, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM's execution thereof.

(g) Executed copies of all Security Documents, the Official Statement relating to the Bonds and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the closing date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM and legal opinion(s) of nationally recognized bond counsel as to due authorization, validity and enforceability of the Security Documents, which legal opinion(s) shall be addressed to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion to be delivered by BAM upon issuance of the Policy is attached hereto as **Exhibit C**.)

(h) An opinion(s) of nationally recognized bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, (i) as to the due authorization, validity and enforceability of the Agreement, (ii) that the repayment of draws under the Policy and all Policy Costs are secured by and payable from Net Revenues in accordance with the terms of the Agreement, (iii) if applicable, that the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the "Reserve Fund") under the Security Documents, and (iv) as to such other matters as BAM shall reasonably request.

(i) Evidence of wire transfer in federal funds of an amount equal to the Initial Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the issuance of the Policy.

9. The Security Documents shall secure repayment of draws under the Policy and all Policy Costs consistent with the terms of the Agreement.

10. Bonds must have an underlying, long-term rating of at least:

AA-	Standard and Poor's
NR	Moody's Investors Service
NR	Fitch Ratings

11. Promptly, but in no event more than thirty (30) days after the issuance of the Policy, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings with respect to the Bonds and the issuance of the Policy or if CD-ROMs are not available, such other electronic form as BAM shall accept.

12. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated, if any, and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Authorized Officer

July 28, 2016
Date

AGREED AND ACCEPTED

The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to obtain the Policy and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a rating agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning rating agency, any such rating may change or be suspended, placed under review or withdrawn by such rating agency if circumstances so warrant, and BAM compensates a rating agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a rating agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under subparagraphs (i) through (vi) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

CITY OF CHARLESTON, WEST VIRGINIA

By:_____
Authorized Officer

_____
Date

EXHIBIT A

DOCUMENT PROVISIONS

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Authorizing Documents the Issuer and the Trustee agree to comply with the following provisions:

(a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve Fund established for the Bonds and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Debt Service Reserve Fund in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund.

For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

(b) Draws under the Reserve Policy may only be used to make payments on Bonds covered under the Reserve Policy.

(c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this [Indenture].

(d) This [Indenture] shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's oblgation to pay such amount shall expressly survive payment in full of the Bonds.

(e) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy [and Debt Service Reserve Agreement].

(f) Any amendment, supplement, modification to, or waiver of this [Indenture] or any other document executed in connection with the Bonds (collectively, the "Security Documents") that requires the consent of the Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(g) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(h) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the [Indenture].

(i) The [Trustee] [Paying Agent] shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph a hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Reserve Insurer of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

(j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of

the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this [Indenture] or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(k) Payments made by BAM under the Reseve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(l) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds. Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default.

(m) [The [Obligor] shall be obligated to pay, as an additional lease or rental payment, to the Trustee for deposit to the Debt Service Reserve Fund an amount equal to the debt service reserve fund replenishment under the [Indenture], including amounts required to repay draws and Policy Costs under the Reserve Policy.]

(n) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, NY 10281
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Telecopier: (212) 235-1542
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

EXHIBIT B

FORM OF DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated _____, 20__ (the "Agreement"), by and between CITY OF CHARLESTON, WEST VIRGINIA (the "Obligor") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. _____ (the "Reserve Policy") with respect to the Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Bonds") issued under the [Indenture/Resolution/Ordinance] dated as of _____, between the [Obligor] [Issuer] and the [Trustee] (the "Trustee") (the "Authorizing Document") [, which bonds are secured by the [Lease/Loan] payments of the Obligor under the [Lease/Loan] Agreement dated as of _____ [the "[Lease/Loan] Agreement"] between the Issuer and the Obligor and the other revenue and collateral described in the Authorizing Document,] and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.

2. Repayment of draws and payment of Administrative Expenses (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw*[; provided, however, that all such payments shall be due prior to termination of the [Lease] Agreement dated as of _____ between the Issuer and Obligor]*. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. *[For Ca. RDA add: The Obligor shall include the repayment of Policy Costs in its Recognized Payment Obligation Schedule.]*

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

4. All cash and investments in the debt service reserve fund or account securing the Bonds (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternate Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

   The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

   Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Bonds.

5. The Reserve Policy shall terminate on the earlier to occur of _____, ___ and the date the Bonds are no longer outstanding under the Authorizing Document.

6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document.

7. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

8. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

9. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds *[, including, without limitation, the payment obligations of the Obligor under the Lease/Loan Agreement]* ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds,

including following the occurrence of a default or event of default. The Obligor shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.

10. The Obligor shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior written consent of BAM) of the Authorizing Document applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.

11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document *[Lease/Loan Agreement]*.

12. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the [Issuer] [Obligor] with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The Issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

14. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the

unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

15. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement [, subject only to abatement as provided in Section __ of the Lease Agreement].

16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Bonds, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.

17. Notice and Other Information to be given to the Reserve Insurer.

    a. The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

    b. In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

    c. The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

18. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

19. The Obligor [and Issuer] agrees that any disclosure document or other document relating to the issuance or sale of the Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.

20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this

Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

[OBLIGOR]

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT C

FORM OF OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, MEMBER AND TRUSTEE)]

Re:

DSR Policy: Debt Service Reserve Insurance Policy No. [POLICY NO.]
Member:
Bonds:

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced DSR Policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies the Member as a member of BAM until the Policy is no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addresses hereof and solely for the purposes of the transaction described above and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

EXHIBIT 1

Specimen Municipal Bond Debt Service Reserve Insurance Policy

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: [NAME OF ISSUER]

MEMBER: [NAME OF MEMBER]

BONDS: [Bonds]

MAXIMUM POLICY LIMIT: $_____

Policy No: _____

Effective Date: _____

Risk Premium: $_____

Member Surplus Contribution: $_____

Total Insurance Payment: $_____

SAMPLE

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be

reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. ["Debt Service Reserve Agreement" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time.] "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" means the lesser of (i) the Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the

Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of[, or if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as,] each reduction in the Reserve Account Requirement, as provided in the Security Documents. "Security Documents" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "Term" means the period from and including the Effective Date until the Termination Date. "Termination Date" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date].

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

DRAFT

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Name:
Title:

SPECIMEN



MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY (SA)

ISSUER: The City of Charleston, West Virginia

Policy No: 2016N0036

MEMBER: The City of Charleston, West Virginia

Effective Date: September 22, 2016

BONDS: Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)

MAXIMUM POLICY LIMIT: $929,250.00

Risk Premium: $9,292.50
Member Surplus Contribution: $18,585.00
Total Insurance Payment: $27,877.50

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**Due for Payment**" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "**Nonpayment**" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "**Notice**" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be

obtained from BAM upon request. "**Owner**" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "**Policy Limit**" means the lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement, as provided in the Security Documents. "**Security Documents**" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "**Term**" means the period from and including the Effective Date until the Termination Date. "**Termination Date**" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) July 1, 2036.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



By: _____
Authorized Officer

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy: 212-235-1524 (attention: Claims)

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement and, as of the date hereof, the Policy Limit is $_____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Name:
Title:

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated September 22, 2016 (the "Agreement"), by and between THE CITY OF CHARLESTON, WEST VIRGINIA (the "Obligor") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. 2016N0036 (the "Reserve Policy") with respect to the Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Bonds") issued under the Ordinance No 4423 passed March 6, 1989, as amended and supplemented, including by the Bond Supplemental Ordinance passed February 16, 2016 and effective as of August 1, 2016, and the Certificate of Determinations dated September 13, 2016 (collectively, the "Authorizing Document"), which Bonds are secured by the Net Revenues of the System and collateral described in the Authorizing Document, and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.

2. Repayment of draws and payment of Administrative Expenses (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due.

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

4. All cash and investments in the debt service reserve fund or account securing the Bonds (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made

on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternate Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Bonds.

5. The Reserve Policy shall terminate on the earlier to occur of July 1, 2036 and the date the Bonds are no longer outstanding under the Authorizing Document.

6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document.

7. Any amendment, supplement, modification to, or waiver of, any of the Authorizing Document that requires the consent of holders of the Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

8. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

9. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default. The Obligor shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.

10. The Obligor shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior written consent of BAM) of the Authorizing Document applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.

11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document.

12. The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Obligor with the Paying Agent to the debt service fund for the Bonds more often than semi-annually, the Paying Agent shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Obligor with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The Obligor and the Paying Agent recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Obligor, with interest thereon.

14. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

15. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement.

16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Bonds, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.

17. Notice and Other Information to be given to the BAM.

    a. The Obligor will provide the BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Authorizing Document.

    b. In addition, the Obligor shall provide the BAM with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

    c. The BAM shall be entitled to receive such additional information as it may reasonably request.

18. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2016N0036, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

19. The Obligor agrees that any disclosure document or other document relating to the issuance or sale of the Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.

20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Title: Mayor

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Title: Mayor

BUILD AMERICA MUTUAL ASSURANCE COMPANY



By: _____
Title:

NO DEFAULT AND TAX CERTIFICATE OF
BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM Policy No.: 2016N0036

BONDS: The City of Charleston, West Virginia
Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)

Date of the Official Statement: September 13, 2016

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy referenced above (the "Policy") in respect of the Bonds referenced above (the "Bonds") that:

(i) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;

(ii) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the "Insurance Payment") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;

(iii) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;

(iv) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(v) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;

(vi) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(vii) BAM does not expect that a claim will be made on the Policy; and

(viii) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Dated: September 22, 2016

BOND CONSTRUCTION TRUST FUND AGREEMENT

THIS BOND CONSTRUCTION TRUST FUND AGREEMENT is dated as of September 22, 2016, and is by and between **THE CITY OF CHARLESTON**, a municipal corporation and political subdivision of the State of West Virginia (the "City") and **UNITED BANK, INC.** (the "Bank").

RECITALS

The City is, simultaneously with the execution and delivery of this Bond Construction Trust Fund Agreement, issuing its Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), dated September 22, 2016 (the "Bonds") pursuant to the Bond Supplemental Ordinance passed by the City on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution adopted on August 1, 2016 and a Certificate of Determinations dated September 13, 2016 (collectively, the "Bond Ordinance"). The Bonds are being issued to provide funds to finance the acquisition, construction and equipping of the Project, as defined in the Bond Ordinance. The Project will be administered by the Charleston Sanitary Board (the "Sanitary Board").

NOW, THEREFORE, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Bond Construction Trust Fund Agreement, the term ***"Costs of the Project"*** means all costs of the design, acquisition and construction of the Project, fund capitalized interest, if any, fund the reserve account and pay costs of issuance. Such costs shall be deemed to include (i) the cost of all property rights, easements and franchises deemed necessary or convenient therefor; (ii) repayment of any interim financing notes; interest on the Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; (iii) engineering and legal expenses; expenses for estimates of cost and revenues; expenses for plans, specifications and surveys; (iv) other expenses necessary or incident to determining the feasibility or practicability of the enterprise; (v) administrative expense, any fees or expenses of the Original Purchaser, commitment fees, premiums for municipal bond insurance policy, debt service reserve account policy, or debt service reserve surety bond; (vi) letter of credit fees; (vii) underwriter's discount; (viii) rating agency fees; (ix) initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds, and (x) such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City or Sanitary Board for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of the indebtedness incurred by the City or Sanitary Board for such purposes shall be deemed part of the Cost of the Project.

In addition, any capitalized terms used in this Bond Construction Trust Fund Agreement and not otherwise defined shall have the meanings assigned thereto in the Bond Ordinance.

SECTION 2. CONSTRUCTION TRUST FUND.

2.1. Construction Trust Fund. On the date of issuance of the Bonds (the "Closing Date"), the City will deposit $13,936,184.44 into a special account for the City at the Bank to be designated "The City of Charleston Series 2016 A Bonds Construction Trust Fund" (the "Construction Trust Fund"). This account shall be held separate and apart from all other funds of the City and the Bank. The Construction Trust Fund is the City's property, but the Sanitary Board is hereby authorized to withdraw amounts on deposit in the Construction Trust Fund only as provided in the Bond Ordinance and this Bond Construction Trust Fund Agreement and only for application from time to time to the payment of Costs of the Project. Pending such application, such amounts shall be subject to a lien and charge in favor of the registered owners of the Bonds.

2.2. Requisitions from Construction Trust Fund. The City through the Sanitary Board may withdraw funds from the Construction Trust Fund only after authorization from the Sanitary Board. The Bank will disburse funds from the Construction Trust Fund to the requested vendors only upon its receipt of one or more written requisitions, substantially in the form of Exhibit A, signed by one of the below listed designated City Representatives.

Name and Title:	Signature:
Larry Roller, General Manager	_____
Crystal Sanders, Finance Manager	_____

The City through the Sanitary Board may designate additional Representatives to sign requisitions upon written notification to the Bank.

Upon receipt of a requisition from the Sanitary Board, the Bank will promptly undertake such review of the matters referred to in such requisition as it shall deem appropriate, and will then promptly notify the Sanitary Board of its approval of the requisition or the reasons for its disapproval.

2.3. Investment. (a) The City and the Bank agree that money in the Construction Trust Fund will be continuously invested and reinvested in a public funds money rate savings account.

(b) From and after the date that is three years from the Closing Date, the City will not purchase or hold any investment which has a "yield," as determined under the Code, in excess of the "yield" on the City's obligations under the Bonds, unless the City has supplied the Bank with a Bond Counsel Opinion to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of payments under the Bond would otherwise be entitled.

(c) Investment obligations acquired with money in the Construction Trust Fund shall be deemed at all times to be part of the Construction Trust Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Construction Trust Fund.

(d) All earnings on moneys in the Construction Trust Fund must be used for Costs of the Project.

SECTION 3. MISCELLANEOUS.

3.1. Notices. Any notice or other communication required or contemplated by this Bond Construction Trust Fund Agreement shall be deemed to be delivered if in writing, addressed as provided below and if (a) actually received by such addressee, or (b) in the case of mailing, when indicated to have been delivered by a signed receipt returned by the United States Postal Service after deposit in the United States mails, postage and registry fees prepaid, and clearly directed to be transmitted as registered or certified mail:

(i) If intended for the City, addressed to it at the following address: The City of Charleston, c/o Charleston Sanitary Board, 208 26th Street, West, Charleston, West Virginia 25387, Attention: General Manager.

(ii) If intended for the Bank, addressed to it at the following address: United Bank, Inc., Attention: The City of Charleston Series 2016 A Bonds Construction Fund, 500 Virginia Street, East, Charleston, West Virginia 25301.

Any party may designate a different or alternate address for notices by notice given under this Bond Construction Trust Fund Agreement.

3.2. Survival of Covenants and Representations. All covenants, representations and warranties made by the City in this Bond Construction Trust Fund Agreement and in any certificates delivered pursuant to this Bond Construction Trust Fund Agreement shall survive the delivery of this Bond Construction Trust Fund Agreement.

3.3. Choice of Law. The parties intend that West Virginia law shall govern this Bond Construction Trust Fund Agreement.

3.4. Amendments. This Bond Construction Trust Fund Agreement may not be modified or amended unless such amendment is in writing and signed by the Bank or the City.

3.5. No Third-Party Beneficiaries. There are no parties intended to be or which shall be deemed to be third-party beneficiaries of this Bond Construction Trust Fund Agreement.

3.6. Successors and Assigns. All of the covenants and conditions of this Bond Construction Trust Fund Agreement shall be binding upon and inure to the benefit of the parties to this Bond Construction Trust Fund Agreement and their respective successors and assigns.

3.7. Severability. If any court of competent jurisdiction shall hold any provision of this Bond Construction Trust Fund Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Bond Construction Trust Fund Agreement.

3.8. Counterparts. This Bond Construction Trust Fund Agreement may be executed in any number of counterparts, including separate counterparts, each executed counterpart constituting an original but all together only one agreement.

3.9. Termination. Except as otherwise provided in this Bond Construction Trust Fund Agreement, this Bond Construction Trust Fund Agreement shall cease and terminate upon payment of all funds (including investment proceeds) from the Construction Trust Fund.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, each of the parties has caused this Bond Construction Trust Fund Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

THE CITY OF CHARLESTON

By:_____
Its: Mayor

UNITED BANK, INC.

By:_____
Its: VP

EXHIBIT A

CONSTRUCTION TRUST FUND REQUISITION

[To Be Prepared on Sanitary Board's Letterhead for Submission]

[Date] _____

_____
United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301

RE: Request for disbursement of funds from the Construction Trust Fund.

Dear _____,

Pursuant to the terms and conditions of the Bond Construction Trust Fund Agreement dated as of September 22, 2016, the Sanitary Board on behalf of The City of Charleston, requests the disbursement of funds from the Construction Trust Fund established under the Bond Construction Trust Fund Agreement for the following Costs of the Project:

This is requisition number ____ from the Construction Trust Fund.

Amount:

Vendor:

Vendor Address:

Vendor Federal Tax Number:

Applicable Vendor Invoices:

Payee *(if different from vendor; attach explanation)*

Project Description:

Location of Project:

The _____ makes this requisition pursuant to the following representations:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursements theretofore made.

2. 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.

3. Each of such costs has been otherwise properly incurred.

4. Payment for each of the items proposed is then due and owing.

Attached is evidence that the amounts shown in this requisition are properly payable at this time, such as bills, receipts, invoices, architects' payment certifications or other appropriate documents.

_____

By: ***[Exhibit Form Only – Do Not Sign]***

Title:_____

JACKSONKELLY
ATTORNEYS AT LAW PLLC

500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

September 22, 2016

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, NY 10281

Re: The City of Charleston
Sewerage System Revenue Bonds
Series 2016 A (Tax-Exempt)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the authorization, issuance, sale, and the initial delivery on the date hereof, by The City of Charleston, West Virginia (the "Issuer") of its $13,145,000 aggregate principal amount of Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Series 2016 A Bonds").

The Series 2016 A Bonds are issued under the authority of and in 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 Bond Ordinance No. 4423 duly passed by the Issuer on March 6, 1989, as supplemented by a Bond Supplemental Ordinance duly passed by the Issuer on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 1, 2016, and a Certificate of Determinations executed by the Mayor on September 13, 2016 (collectively, the

"Ordinance"), and are subject to all the terms and conditions of the Ordinance. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Ordinance.

The Ordinance provides that the Series 2016 A Bonds are issued for the purpose of: (i) paying the costs of the acquisition and construction of additions, betterments and improvements to the existing sewerage system of the Issuer; (ii) funding the Series 2016 A Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Series 2016 B Reserve Policy") from Build America Mutual Assurance Company ("BAM"); and (iii) paying costs of issuance of the Series 2016 A Bonds and related costs.

The Series 2016 A Bonds have been sold to Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Original Purchaser"), pursuant to a Bond Purchase Agreement dated September 13, 2016 (the "Bond Purchase Agreement"), accepted by the Issuer.

In connection with our engagement as Bond Counsel, we have examined the law and such documents and matters as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Original Purchaser and other entities contained in the Ordinance and the Bond Purchase Agreement and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation and have relied upon, and have assumed, due compliance with the provisions of, the proceedings and other documents.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Ordinance, the Bond Purchase Agreement and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision under and pursuant to the laws of the State of West Virginia, with full power and authority to pass and enact the Ordinance, enter into the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2016 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted and enacted the Ordinance; has authorized, executed and delivered the Bond Purchase Agreement; has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2016 A Bonds; and has issued and delivered the Series 2016 A Bonds to the Original Purchaser pursuant to the Bond Purchase Agreement.

3. Assuming due authorization, execution and delivery by the other parties thereto (where applicable), the Bond Purchase Agreement constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with their respective terms.

4. The Series 2016 A Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable special, limited obligations of the Issuer, payable from, and secured by a lien on, the Net Revenues of the System, on a parity with the Issuer's $1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989; $829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989; $773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993; $2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996; $395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996; $732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997; $5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997; $994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998; $686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999; $1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001; $823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001; $9,835,120 Sewerage System Revenue Bonds, Series 2004 A, dated March 23, 2004; $36,617,310 Sewerage System Revenue Bonds, Series 2005 A, dated May 5, 2005; $9,000,000 Sewerage System Revenue Bonds, Series 2008 A, dated June 26, 2008; $25,877,009 Sewerage System Revenue Bonds, Series 2011 A, dated December 13, 2011; and $11,613,300 Sewerage System Revenue Bonds, Series 2013 A, dated March 27, 2013 and senior to the Issuer's $283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989; $123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989; $132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999; $30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001; $1,822,690 Sewerage System Revenue Bonds, Series 2005 B-1, dated May 5, 2005; and $334,771 Sewerage System Revenue Bonds, Series 2005 B-2, dated May 5, 2005.

5. We have examined the executed and authenticated Series 2016 A Bonds number AR-1 through AR-18 and, in our opinion, said Series 2016 A Bonds are in proper form and have been duly executed and authenticated.

6. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds is excludable from the gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations; provided, that the interest on the Series 2016 A Bonds is taken into account as an adjustment to current earnings when computing the federal alternative minimum tax on certain corporations. Ownership of tax-exempt obligations, including the Series 2016 A Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or

carry such obligations. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2016 A Bonds. Prospective purchasers of the Series 2016 A Bonds should consult their own tax advisors as to such consequences.

The opinions set forth in this paragraph 6 are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code") that must be satisfied in order for interest on the Series 2016 A Bonds to be or continue to be excludable from gross income for federal income tax purposes and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2016 A Bonds set forth in the Ordinance and the Bond Purchase Agreement and the certifications of the Issuer and others. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2016 A Bonds to be includable in gross income retroactive to the date of issuance of the Series 2016 A Bonds.

7. Under the Act, the Series 2016 A Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

8. The Series 2016 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2016 A Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2016 A Bonds and the enforceability of the Series 2016 A Bonds, the Ordinance and the Bond Purchase Agreement, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases and no opinion of such is given.

We do not express any opinion as to the sufficiency or accuracy of the material, information or financial statements which are set forth in the Official Statement prepared and used in connection with the offering and sale of the Series 2016 A Bonds.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and

administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

This opinion is intended solely for the benefit of the addressees and may not be relied upon by any other person or entity without, in each such case, our express written consent.

Very truly yours,

Jackson Kelly PLLC

JACKSONKELLY PLLC
ATTORNEYS AT LAW
500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

September 22, 2016

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

Re: The City of Charleston (West Virginia)
Sewerage System Revenue Bonds
Series 2016 A (Tax-Exempt)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the authorization, issuance, sale, and the initial delivery on the date hereof, by The City of Charleston, West Virginia (the "Issuer") of its $13,145,000 aggregate principal amount of Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt) (the "Bonds"), issued pursuant to the Constitution and laws of the State, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act") and pursuant to an Ordinance passed by the City Council on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 1, 2016, and a Certificate of Determinations executed by the Mayor on September 13, 2016 (collectively, the "Ordinance"). We are herewith rendering our final approving opinion of even date in connection with the authorization, issuance and delivery of the Bonds to Crews & Associates, Inc. and Piper Jaffray & Co., as the Underwriters named in the Bond Purchase Agreement dated September 13, 2016 (the "Bond Purchase Agreement"), relating to the Bonds.

In rendering this opinion, we reviewed records of the acts taken by the Issuer in connection with the authorization, sale and issuance of the Bonds, including a record of proceedings of the Issuer relating to the authorization, execution and delivery of the Bond Purchase Agreement, and we were present at various meetings for the preparation of various parts of the Official Statement relating to the Bonds, dated and executed by the Mayor of the Issuer on September 13, 2016 (the "Official Statement").

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer.

2. The Official Statement has been duly approved, signed and delivered by the Issuer.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Documents have been duly authorized, executed, acknowledged and delivered by the Issuer, and are legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms (except as enforcement of remedies may be limited by bankruptcy, insolvency or other laws and equitable principles affecting the right of creditors).

4. The statements contained in the Official Statement under the captions "Introduction," "The Series 2016 Bonds," "Security for the Series 2016 Bonds," "Tax Matters," "Appendix D - Form of Opinion of Bond Counsel" and "Appendix F - Form of Ordinance," do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

5. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

Jackson Kelly PLLC

OFFICE OF THE CITY ATTORNEY

City of Charleston | P.O. Box 2749, Charleston WV 25330 | 304-348-8031
Writer's Fax: 304-348-0770 | Writer's email: paul.ellis@cityofcharleston.org

Paul D. Ellis
City Attorney of Charleston

September 22, 2016

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

Re: The City of Charleston
Sewerage System Revenue Bonds, Series 2016 A
(Tax-Exempt)

Ladies and Gentlemen:

I am City Attorney for The City of Charleston in Kanawha County, West Virginia (the "Issuer"). As such City Attorney and in connection with the issuance and sale of the above-referenced bonds (the "Bonds"), I have examined copies of (i) the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the Bonds, (ii) a Bond Purchase Agreement, dated September 13, 2016, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and between the Issuer and Crews & Associates, Inc. on behalf of itself and Piper Jaffray & Co. (collectively, the "Original Purchaser"), (iii) an Official Statement of the Issuer, as supplemented and/or amended to the Closing Date (as defined in the Bond Purchase Agreement, (iv) Bond Ordinance No. 4423 duly passed by the Issuer on March 6, 1989, as supplemented by a Bond Supplemental Ordinance duly passed by the Issuer on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 1, 2016, and a Certificate of Determinations executed by the Mayor on September 13, 2016 (collectively, the "Ordinance"), (v) a Petition of The City of Charleston Sanitary Board (the "Board") duly adopted on January 21, 2016, and (vi) 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 Purchase Agreement and the Ordinance when used herein.

I am of the opinion that:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System and to enact the Ordinance, all under the Act and other applicable provisions of law.

2. The Issuer is authorized by the Act and has full legal right, power and authority to issue the Bonds.

3. The Issuer has all power and authority to create the Board.

4. No litigation is pending, or to my knowledge threatened, in any court in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of Revenues of the Board pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or the Bond Purchase Agreement, or contesting the powers of the Issuer with respect to the Bonds, the Ordinance or the Bond Purchase Agreement or any transaction described in or contemplated by the Official Statement.

5. That the Official Statement, as amended or supplemented to the Closing Date, contains no untrue statement of a material fact regarding the Issuer or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the Issuer, in light of the circumstances under which they were made, not misleading.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Sincerely,

Paul D. Ellis
City Attorney of Charleston

SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

September 22, 2016

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

Re: The City of Charleston
Sewerage System Revenue Bonds, Series 2016 A
(Tax-Exempt)

Ladies and Gentlemen:

We have acted as counsel to the Charleston Sanitary Board, Charleston, West Virginia (the "Board") in connection with the issuance and sale by the City of Charleston (the "City") of the above-referenced Bonds (the "Series 2016 A Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated September 13, 2016 (the "Purchase Agreement") between Crews & Associates, Inc. and Piper Jaffray & Co. (collectively, the "Underwriter") and the City. Any capitalized term used herein and not defined herein shall have the meaning assigned to it in the Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Series 2016 A Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, the Constitution and the laws of the State of West Virginia, including Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act") and the Official Statement dated September 13, 2016, with respect to the issuance and offering of the Series 2016 A Bonds (the "Official Statement"), and certifications of the Board. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Board has been legally constituted and has all power and authority to manage and conduct the Board's operations.

2. The City has the power and authorization to set and enforce sewer rates and charges and the rates and charges enacted by the City on November 16, 2015, effective March 28, 2016, are in full force and effect and are not subject to appeal.

3. To our knowledge, no litigation is pending, or threatened in any court in any way affecting the existence of the Board or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the collection of Revenues of the Board pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or

affecting the validity or enforceability of the Bonds, the Ordinance or the Purchase Agreement, or contesting the powers of the Board with respect to the Purchase Agreement or any transaction described in or contemplated by the Official Statement.

4. All successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that comply with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code; and all successful bidders have made required provisions for all insurance and payment and performance bonds; the surety bonds and certificates of insurance coverage in connection with the Project and verified that such surety bonds and certificates (a) are in compliance with the contracts; (b) are adequate in form, substance and amount to protect the various interests of the Issuer; (c) have been executed by duly authorized representatives of the proper parties; (d) meet the requirements of the Act and the Ordinance; and (e) all such documents constitute or reference valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

5. To our knowledge, the Official Statement, as amended or supplemented to the date hereof, contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the Board or the System, in light of the circumstances under which they were made, not misleading.

6. The statements contained in the Official Statement under the captions "Financing Plan," "The System," "Absence of Material Litigation," and "Appendix B- The System," insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Ordinance, are accurate and present a fair summary of the matters referred to therein.

7. The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

All counsel to this transaction may rely upon the foregoing opinion as if specifically addressed to them.

Very truly yours,

Spilman Thomas & Battle, PLLC

SPILMAN THOMAS & BATTLE, PLLC

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September 22, 2016

Crews & Associates, Inc.
Charleston, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Re: The City of Charleston (West Virginia)
Sewerage System Revenue Bonds,
Series 2016 A (Tax-Exempt)

Ladies and Gentlemen:

We have acted as counsel to you (collectively, the "Underwriter") in connection with the issuance and sale by The City of Charleston (the "City") of its Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), in the aggregate principal amount of $13,145,000 (the "Series 2016 A Bonds"). In connection with rendering this opinion, we have examined the Official Statement dated September 13, 2016, the Bond Purchase Agreement dated September 13, 2016 (the "Purchase Agreement"), and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Based upon the foregoing review, we are of the opinion that the Underwriter is not required to comply with the requirements of paragraph (b)(5) of the Rule.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the City, Counsel for the City, Counsel for the Sanitary Board, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom the financial and statistical data included in the Official Statement, including Appendices A, B, C-1 and C-2 thereto as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2016 A Bonds.

Respectfully submitted,

Goodwin + Goodwin, LLP

GOODWIN & GOODWIN, LLP

SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

Susan J. Riggs
304-340-3867
sriggs@spilmanlaw.com

September 22, 2016

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

Re: The City of Charleston
Porters Hollow Sewer System Project
Sewerage System Revenue Bonds, Series 2016 A

Ladies and Gentlemen:

This Firm represents the City of Charleston and its Sanitary Board ("Sanitary Board") in connection with a proposed project to construct the Porters Hollow sewer system improvements project (the "Project"), and provides this final title opinion on behalf of the City of Charleston and the Sanitary Board with regard to the financing proposed for the Project. Please be advised of the following:

1. That we are of the opinion that the City of Charleston is a duly created and existing municipal/public corporation possessed with all the powers and authority granted to municipal/public corporations under the laws of the State of West Virginia and through its Sanitary Board has the full power and authority to construct, operate and maintain the Project as approved by the Bureau for Public Health.

2. That the City of Charleston or the Sanitary Board has obtained all necessary permits and approvals for the construction of the Project. In rendering this opinion, we have relied solely on representations concerning construction permits and approvals made to us by Burgess & Niple, the consulting engineer for the Project ("Burgess & Niple").

JACKSONKELLY
ATTORNEYS AT LAW PLLC

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September 22, 2016

Build America Mutual Assurance Company
New York, NY

Re: **Municipal Bond Debt Service Reserve Insurance Policy No. 2016N0036 of even date, with respect to Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt), of The City of Charleston, West Virginia ("Bonds")**

Ladies and Gentlemen:

We have acted as bond counsel to The City of Charleston (the "Issuer") in connection with the issuance of the above-referenced Bonds pursuant to Bond Ordinance No. 4423 duly passed by the Issuer on March 6, 1989, as supplemented by a Bond Supplemental Ordinance duly passed by the Issuer on February 16, 2016, effective August 1, 2016, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 1, 2016, and a Certificate of Determinations executed by the Mayor of the Issuer on September 13, 2016 (collectively, the "Ordinance").

In rendering this opinion we have (a) examined a certified copy of the Ordinance, the Debt Service Reserve Agreement dated September 22, 2016 (the "Debt Service Reserve Agreement") by the Issuer and Build America Mutual Assurance Company ("BAM"), and such other certificates, proceedings, proofs, and documents, and made such studies of matters of law, as we have deemed necessary; and (b) relied, without independent investigation or inquiry, upon certificates of certain officers of the Issuer and BAM and other certificates, proceedings, proofs and documents considered by us to be pertinent.

The opinions herein are based upon and limited to the laws of the State of West Virginia.

Based upon the foregoing and subject to the qualifications set forth below, we are of the opinion, as of the date hereof and under existing law, that:

(1) The Issuer has corporate power and authority to execute, deliver and perform the Debt Service Reserve Agreement.

(2) The Issuer has duly authorized, executed and delivered the Debt Service Reserve Agreement; the Debt Service Reserve Agreement constitutes the legal, valid and binding obligation of the Issuer; and the Debt Service Reserve Agreement is enforceable against the Issuer in accordance with the terms thereof.

The obligations of the Issuer under the Debt Service Reserve Agreement and the enforceability of the Debt Service Reserve Agreement are subject to and may be limited by (i) the exercise of judicial discretion (whether in a proceeding in equity or at law), (ii) the valid exercise of the constitutional powers of the United States of America and the constitutional powers of the State of West Virginia, and (iii) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

The opinions within are (a) limited to matters stated herein and no opinion may be inferred beyond the matters expressly stated, (b) given as of the date hereof and with the express understanding that we have no obligation to advise you or any of your successors or assigns of any changes in law or fact subsequent to the date hereof, even though such changes may affect the opinions expressed herein, and (c) rendered to you solely in connection with the subject transactions and may not be relied upon by you or by any other person for any other purpose.

Very truly yours,

Jackson Kelly PLLC



September 22, 2016

City of Charleston
City Hall, 2nd Floor
Charleston, WV 25301

Crews & Associates, Inc.
First Security Center, 521 President Clinton Avenue, Suite 800
Little Rock, AR 72201

WV Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, WV 25302

RE: DSR Policy: Debt Service Reserve Policy No. 2016N0036
Member: The City of Charleston, West Virginia
Bonds: Sewerage System Revenue Bonds, Series 2016 A (Tax-Exempt)

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced DSR Policy (the "Policy") and the execution by BAM of the Debt Service Reserve Agreement dated as of September 22, 2016, between The City of Charleston and BAM (the "Agreement"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the

enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies the Member as a member of BAM until the Policy is no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addresses hereof and solely for the purposes of the transaction described above and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

