

CITY OF HURRICANE
(WEST VIRGINIA)

WATER REFUNDING REVENUE BONDS, SERIES 2007 A

BOND ORDINANCE

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CITY OF HURRICANE

CONFORMED ORDINANCE

ORDINANCE AUTHORIZING THE PERMANENT FINANCING OF THE WATER REVENUE BONDS, SERIES 2005 A AND CERTAIN INTERIM FINANCING; AUTHORIZING THE ACQUISITION AND CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE WATERWORKS FACILITIES, OF THE CITY OF HURRICANE AND FINANCING THE COSTS THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2007 A, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$2,500,000, PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING THERETO; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation"), is enacted pursuant to the provisions of Chapter 8, Article 19 of the West Virginia Code of 1931, as amended, and other applicable provisions of law.

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

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

B. The City presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the City that there be acquired, constructed and equipped certain extensions, additions,

betterments and improvements to the existing public waterworks facilities of the City, consisting of, but not limited to, tank repair, 10" water line, meter wands/scions, flushing diffuser, water pumps, computer equipment, and the purchase of trucks (the "Project") (the existing public waterworks system of the City, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System").

C. The acquisition and construction of the System were financed, in part, by the proceeds of prior bond issues of the City, of which there is presently outstanding the Water Revenue Bonds, Series 1994, dated May 5, 1994, issued in the original aggregate principal amount of \$1,100,000 and currently outstanding in the approximate aggregate principal amount of \$988,842 (the "Series 1994 Bonds"), the Water Revenue Bonds, Series 2005 A, dated August 24, 2005, issued in the original aggregate principal amount of \$995,000 and currently outstanding in the approximate aggregate principal amount of \$995,000 (the "Series 2005 A Bonds") and Interim Financing of the City, being a loan from United Bank, dated August 23, 1999, issued in the original aggregate principal amount of \$750,000 and currently outstanding in the approximate aggregate principal amount of \$559,310, a loan from the Putnam County Bank, dated June 30, 2006, issued in the original approximate aggregate principal amount of \$49,500 and currently outstanding in the aggregate principal amount of \$48,090, and a loan from Scott Gordon (initial lease with Comvest), currently outstanding in the aggregate principal amount of \$3,318 and a loan from Eric Gordon (initial lease with Comvest), currently outstanding in the aggregate principal amount of \$13,263 (collectively, the "Interim Financing").

D. Under the provisions of the Act, the City is authorized and empowered to issue refunding revenue bonds for the purposes of permanently financing the Series 2005 A Bonds and the Interim Financing, including interest thereon, financing the costs of acquisition, construction and equipping of the Project, and paying costs of issuance thereof.

E. The City has determined and hereby determines that it is in the best interest of the residents of the City and other users of the System to permanently finance the Series 2005 A Bonds, as the Series 2005 A Bonds have matured on February 24, 2007, and the Interim Financing and finance the costs of the acquisition, construction and equipping of the Project.

F. It is deemed necessary for the City to issue its Water Refunding Revenue Bonds, Series 2007 A (the "Series 2007 A Bonds"), in the maximum total aggregate principal amount of not more than \$2,500,000, to permanently finance the Series 2005 A Bonds and the Interim Financing, to pay costs of acquisition, construction and equipping of the Project, and to pay costs of issuance of the Series 2007 A Bonds and related costs.

G. The Series 2007 A Bonds will rank on a parity with the Series 1994 Bonds as to liens, pledge and source of and security for payment on the Gross Revenues of the System and the Series 1994 Bonds are hereinafter referred to as the "Prior Bonds".

Prior to the issuance of the Series 2007 A Bonds, the City will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2007 A Bonds on a parity with the Prior 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.

H. It is in the best interests of the City that its Series 2007 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and conditions of the commitment letter of the Purchaser, as amended (the "Commitment Letter").

I. The City has complied with all requirements of West Virginia law relating to the issuance of the Series 2007 A Bonds, or will have so complied prior to issuance of the Series 2007 A Bonds.

Section 1.03. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals or in the text hereof shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended and in effect on the date of enactment of this Ordinance.

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

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

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

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

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

"Bonds" means the Series 2007 A Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"City" means the City of Hurricane, a municipal corporation of the State of West Virginia, and, where appropriate, the City Council of the City.

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

"Closing Date" means the date upon which there is an exchange of the Series 2007 A Bonds for the proceeds representing the original purchase price thereof.

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

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

"Commitment Letter" means the commitment letter of the Purchaser which sets forth certain terms and conditions of the Series 2007 Bonds, as more fully set forth in the Supplemental Resolution.

"Costs" or similar terms, shall mean all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of permanently financing the Series 2005 A Bonds and the Interim Financing, including payment of redemption premiums and accrued interest thereon; costs of the acquisition, construction and equipping of the Project; amounts which may be deposited in any Reserve Account; legal, accounting, fiscal agent fees and expenses, initial fees for the services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Series 2007 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, and the performance of the things herein required or permitted, in connection with any thereof.

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

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinance and continued by Section 4.01 hereof.

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

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined), or any tap fees.

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

"Investment Property" means:

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

"Interim Financing" means, collectively, the loans from United Bank, dated August 23, 1999, issued in the original aggregate principal amount of \$750,000 and currently outstanding in the approximate aggregate principal amount of \$559,310, a loan from the Putnam County Bank, dated June 30, 2006, issued in the original approximate aggregate principal amount of \$49,500 and currently outstanding in the aggregate principal amount of \$48,090, and a loan from Scott Gordon (initial lease with Comvest), currently outstanding in the aggregate principal amount of \$3,318 and a loan from Eric Gordon (initial lease with Comvest), currently outstanding in the aggregate principal amount of \$13,263.

"Mayor" means the Mayor of the City.

"Net Proceeds" means the face amount of the Series 2007 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2007 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, fees and expenses of issuance of the Series 2007 A Bonds, fiscal agents, the Depository Bank, the Registrar and the Commission (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" means this Ordinance and all resolutions and ordinances supplemental hereto or amendatory hereof.

"Outstanding," when used with reference to the Prior Bonds or the Bonds and as of any particular date, describes all Prior Bonds or Bonds theretofore and thereupon being issued and delivered except (a) any Prior Bond or Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under

this Ordinance and set aside for such payment (whether upon or prior to maturity); and (b) any Prior Bond or Bond deemed to have been paid as provided in their respective authorizing ordinances.

"Paying Agent" means the Commission, and its successors and assigns.

"Prior Bonds" means the Series 1994 Bonds of the City.

"Prior Ordinance" means the Ordinance authorizing the issuance of the Series 1994 Bonds.

"Prior Bonds Reserve Account" means the Series 1994 Bonds Reserve Account established by the Prior Ordinance.

"Prior Bonds Sinking Fund" means the Sinking Fund created by the Prior Ordinance for the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Purchaser" means the purchaser or purchasers of the Series 2007 A Bonds directly from the City, designated as such in the Supplemental Resolution, and its successors and assigns.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

(a) Government Obligations;

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

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for

Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the City.

"Redemption Date" means the date fixed for redemption of any Bonds of the City called for redemption.

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

"Registrar" means the bank or other entity to be designated in the Supplemental Resolution as the Registrar for the Series 2007 A Bonds, and its successors and assigns.

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

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued by Section 4.01 hereof.

"Series 1994 Bonds" means the Water Revenue Bonds, Series 1994, of the City, dated May 5, 1994, issued in the original principal amount of \$1,100,000.

"Series 2005 A Bonds" means the Water Revenue Bonds, Series 2005, of the City, dated August 24, 2005, issued in the original aggregate principal amount of \$995,000.

"Series 2007 A Bonds" means the Water Refunding Revenue Bonds, Series 2007 A, of the City, originally authorized to be issued pursuant to this Ordinance.

"Series 2007 A Bonds Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2007 A Bonds Redemption Account" means the Redemption Account created in the Series 2007 A Bonds Sinking Fund by Section 4.02 hereof.

"Series 2007 A Bonds Reserve Account" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2007 A Bonds in the then current or any succeeding year.

"Series 2007 A Bonds Sinking Fund" means the Series 2007 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2007 A Bonds Reserve Account Requirement" shall mean, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2007 A Bonds in the then current or any succeeding year.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the City following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2007 A Bonds and authorizing the sale of the Series 2007 A Bonds to the Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Ordinance to be set aside and held for the payment of or security for the Bonds, the Prior Bonds or any other obligations of the City, including any Sinking Fund or Reserve Account.

"System" means the complete existing public waterworks system now owned by the City, consisting of a waterworks system in its entirety or any integral part thereof, and shall include any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the City.

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

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

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of adoption 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 ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT AND PERMANENT FINANCING

Section 2.01. Authorization of the Acquisition, Construction & Equipping of the Project. There is hereby authorized and ordered the acquisition, construction and equipping of the Project, which will be paid from proceeds of the Series 2007 A Bonds. The proceeds of the Series 2007 A Bonds hereby authorized shall be applied as provided in the Article III hereof.

Section 2.02. Authorization of Permanent Financing. All Series 2005 A Bonds and the Interim Financing Outstanding as of the date of issuance of the Series 2007 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Gross Revenues in favor of the Holders of the Series 2005 A Bonds and the Interim Financing imposed by the Series 2005 A Ordinance and the loan documents, the monies in the funds and accounts created by the Series 2005 A Ordinance pledged to payment of the Series 2005 A Bonds, and any other funds pledged by the Series 2005 A Ordinance and the loan documents to payment of the Series 2005 A Bonds and the Interim Financing are hereby ordered terminated, discharged and released upon such payment to the Holders of the Series 2005 A Bonds and the Interim Financing. Contemporaneously with the payment in full of the Series 2005 A Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the Series 2005 A Bonds, shall be released from the lien created by the Series 2005 A Ordinance.

ARTICLE III

THE BONDS

Section 3.01. Authorization of the Bonds. For the purposes of permanently financing the Series 2005 A Bonds and the Interim Financing, paying acquisition, construction and equipping of the Project and paying the costs of issuance of the Series 2007 A Bonds and related costs, there shall be and hereby are authorized to be issued the Water Refunding Revenue Bonds, Series 2007 A, of the City, in an aggregate principal amount of not more than \$2,500,000.

Section 3.02. Terms of Bonds. The Bonds shall be issued in fully registered form and shall be initially issued as one Bond, in the aggregate principal amount of not to exceed \$2,500,000. The Bonds shall be dated such date, shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such date or dates; shall mature on such dates; and shall be subject to such repayment or redemption, all as provided in the Supplemental Resolution or as specifically provided in the Bonds. The Bonds shall be payable as to principal and interest at the principal office of the Commission in any coin or currency which, on the date of payment, is legal tender for the payment of public and private debts under the laws of the United States of America.

The aggregate proceeds of the Bonds shall be paid to the City upon delivery of the Bonds, and the Bonds shall evidence only the indebtedness recorded on the Record of Advances attached thereto and incorporated therein.

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

No Bond shall be valid or entitled to any security or benefit under this Ordinance unless and until the certificate of authentication and registration on such Bond shall have been duly manually executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Legislation. The certificate of authentication and registration shall be deemed to have been executed by the Registrar if

signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication and registration on all of the Bonds issued hereunder.

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

So long as any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. The Bonds shall be transferrable only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar by request of the registered owner thereof in person or by his attorney duly authorized in writing, and upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of a Bond, there shall be issued to the transferee another fully registered Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond.

In all cases in which the privilege of transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfers shall forthwith be canceled by the Registrar. For every such 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 transfer and the cost of preparing each new Bond upon each transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. The Registrar shall not be obliged to make any such transfer of Bonds during the 15 days preceding an interest payment date on the Bonds or after notice of any prepayment of the Bonds has been given.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Bond in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bonds or in lieu of and substitution for the Bond destroyed, stolen or lost and upon the Holder'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. All Bonds so surrendered shall be submitted to and canceled by the Registrar and held for the account of the City. If such 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 thereof.

Section 3.06. Bonds Not to Be Indebtedness of the City. The Series 2007 A Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2007 A Bonds shall ever have the right to compel the exercise of the taxing power of the City, if any, to pay the Series 2007 A Bonds or the interest thereon.

Section 3.07. Bonds Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2007 A Bonds shall be secured forthwith by a lien on the Gross Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided, on a parity with the Prior Bonds. The Gross Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2007 A Bonds and Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2007 A Bonds as the same become due.

Section 3.08. Form of Bonds . The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2007 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF HURRICANE, a municipal corporation and political subdivision of the State of West Virginia in Putnam County of said State (the "City"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of

- BRANCH BANK AND TRUST COMPANY -

or registered assigns (the "Registered Owner"), on _____, 2019, the principal sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the City hereunder and not previously repaid, as evidenced by the Record of Advances attached as EXHIBIT A hereto and incorporated herein by reference as a part hereof, together with interest payable thereon, in monthly installments, on the first day of each month, commencing _____ 1, 2007, on such advances from the date thereof at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of _____% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at the rate of _____% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes,

and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent.

The loan evidenced by this Bond shall be advanced to the City as requested by the City and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

This Bond is subject to prepayment of the principal balance in whole on a scheduled payment date with a 1 % prepayment premium.

This Bond is issued (i) to permanently finance the City of Hurricane's Water Revenue Bonds, Series 2005 A and the Interim Financing (as defined in the Bond Legislation);(ii) to pay costs of acquisition, construction and equipping of Project; and (iii) to pay the costs of issuance hereof and related costs. The existing public waterworks facilities of the City and any further improvements or extensions thereto are herein called the "System". This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the City on _____, 2007, as supplemented by a Supplemental Resolution duly adopted by the City on _____, 2007 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE WATER REVENUE BONDS, SERIES 1994, DATED MAY 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such

Gross Revenues shall be sufficient to pay the principal of and interest, if any, 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. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Gross Revenues, the monies in the Series 2007 A Bonds Reserve Account and unexpended proceeds of the Bonds.

So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance authorizing the Prior Bonds shall be applicable. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Branch Banking and Trust Company, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from the sources set forth above. Under the Legislation, the City has entered into certain covenants with the Registered Owner, for the terms of which reference is made to said Legislation. Remedies provided the Registered Owner are exclusively as provided in the Legislation, to which reference is here made for a detailed description thereof.

All monies received from the sale of this Bond shall be applied solely to the permanent financing of the Series 2005 A Bonds and Interim Financing, the costs of acquisition, construction and equipping the Project, and the costs of issuance and related costs described in the Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

Under the Act, this Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the Bonds, together with all other obligations of the City, do not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, the CITY OF HURRICANE has caused this Bond to be signed by its Mayor and City Manager and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 2007.

[SEAL]

Mayor

City Manager

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2007.

as Registrar

By _____
Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>		<u>DATE</u>	<u>AMOUNT</u>		<u>DATE</u>
(1)	\$		(13)	\$	
(2)	\$		(14)	\$	
(3)	\$		(15)	\$	
(4)	\$		(16)	\$	
(5)	\$		(17)	\$	
(6)	\$		(18)	\$	
(7)	\$		(19)	\$	
(8)	\$		(20)	\$	
(9)	\$		(21)	\$	
(10)	\$		(22)	\$	
(11)	\$		(23)	\$	
(12)	\$		(24)	\$	
TOTAL			\$		

ASSIGNMENT

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

Dated: _____, 20__.

IN THE PRESENCE OF:

Section 3.09. Sale of Bonds and Bonds. The Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, adoption of the Supplemental Resolution; provided, that the Purchaser and the City shall have agreed to the purchase thereof.

Section 3.10. Disposition of Proceeds of Bonds. Upon the issuance and delivery of the Series 2007 A Bonds, the City shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued, if any, on the Series 2007 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2007 A Bonds Sinking Fund and applied to payment of interest on the Series 2007 A Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2007 A Bonds which, together with other monies or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the defeasance of the Series 2005 A Bonds and the Interim Financing (which amount shall be set forth in the Supplemental Resolution) shall be paid to the Holders of the Series 2005 A Bonds and Interim Financing, respectively.

C. An amount of the proceeds of the Series 2007 A Bonds which shall be sufficient to pay all costs of issuance shall be deposited with the Depository Bank in the Series 2007 A Bonds Costs of Issuance Account and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2007 A Bonds and miscellaneous costs of permanent financing the Series 2005 A Bonds and the Interim Financing at the written direction of the City. All such costs of issuance shall be paid within 60 days of the Closing Date. Monies not to be applied immediately to pay such costs of issuance and permanent financing 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 6 months after the Closing Date, such unapplied proceeds shall be transferred by the City to the Series 2007 A Bonds Sinking Fund.

D. As the City receives advances of the remaining monies derived from the sale of the Series 2007 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2007 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2007 A Bonds. All covenants and requirements of the Series 2007 A Bonds Construction Trust Fund shall be as set forth in the Project Fund Agreement, approved by the City.

E. After completion of the construction of the Project, and all costs have been paid, any remaining proceeds of the Series 2007 A Bonds shall be expended as approved by the Purchaser.

Section 3.11. Disbursement of Monies from Series 2007 A Bonds Construction Trust Fund. The City shall provide Purchaser with a requisition for the costs incurred for the Project, together with such documents as the Purchaser shall require.

Section 3.12. Designation of Bonds "Qualified Tax-Exempt Obligations." The City hereby designates the Series 2007 A Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the City to the extent the amount of the permanent financing obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code), including the Series 2007 A Bonds, have been or shall be issued by the City, including all subordinate entities of the City, during calendar year 2007.

Section 3.13. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(D) of the Code, the City covenants that it is a governmental unit with general taxing powers; that no part of the Series 2007 A Bonds are private activity bonds; that 95% or more of the Gross Proceeds of the Series 2007 A Bonds are to 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); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the City during the calendar year in which the Series 2007 A Bonds are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 2007 A Bonds. For purposes of applying Section 148(f)(4)(D) of the Code, the City and all entities which issue obligations on behalf of the City shall be treated as one city; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one City.

Notwithstanding the foregoing, if in fact the City is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the City covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 Bonds and otherwise

covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2007 A Bonds. In the event of a failure to pay any such amount or amounts, the City will pay, from any lawful sources available therefor, to the United States amounts required by the United States. In order to provide for the administration of this paragraph, the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF; INVESTMENT OF FUNDS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinance), and shall be held by, the Depository Bank, segregated and apart from all other funds or accounts of the Depository Bank and the City and from each other:

- (1) Revenue Fund (continued by the Prior Ordinance);
- (2) Operation and Maintenance Fund (continued by the Prior Ordinance);
- (3) Depreciation Fund (continued by the Prior Ordinance);
- (4) Series 2007 A Bonds Costs of Issuance Account; and
- (5) Series 2007 A Bonds Construction Trust Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. Pursuant to this Article IV, the following special funds or accounts are hereby created with the Commission:

- (1) Series 2007 A Bonds Sinking Fund and within the Sinking Fund, the Redemption Account; and
- (2) Series 2007 A Bonds Reserve Account.

Section 4.03. System Revenues; Flow of Funds. So long as any of the Series 2007 A Bonds shall be Outstanding and unpaid, the City covenants as follows:

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the City in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided.

- (1) The City shall first, each month, transfer from the Revenue Fund and pay (i) to the Commission, the amount

required by the Prior Ordinance to be deposited into the Prior Bonds Sinking Fund to pay the interest on the Prior Bonds; and (ii) to the Commission, the amount required to be deposited into the Series 2007 A Bonds Sinking Fund to pay interest on the Series 2007 A Bonds.

(2) The City shall next, each month, transfer from the Revenue Fund and pay (i) to the Commission the amount required by the Prior Ordinance to be deposited into the Prior Bonds Sinking Fund to pay the principal on the Prior Bonds; and (ii) to the Commission, the amount required to be deposited into the Series 2007 A Bonds Sinking Fund to pay principal on the Series 2007 A Bonds.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the (i) Prior Bonds Reserve Account the amount required by the Prior Ordinance and (ii) Series 2007 A Bonds Reserve Account, commencing on June 1, 2007, an amount equal to 1/120th of the Series 2007 A Bonds Reserve Account Requirement; provided that, no further payments shall be made into the Series 2007 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 2007 A Bonds Reserve Account Requirement; provided further, that if the amounts in the Series 2007 A Bonds Reserve Account, as a result of a decrease in value of the Series 2007 A Bonds Reserve Account below the Series 2007 A Reserve Account Requirement or any withdrawal from the Series 2007 A Bonds Reserve Account, the City shall apply such monies for deposit into the Series 2007 A Bonds Reserve Act, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Series 2007 A Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2007 A Bonds Reserve Account is less than the Series 2007 A Reserve Account Requirement.

(4) The City shall next, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund the amount necessary to pay the current Operating Expenses.

(5) The City shall next, from the monies remaining in the Revenue Fund (as previously set forth in the Prior Ordinance

and not in addition thereto), on the first day of each month, transfer to the Depreciation Fund a sum equal to 2 1/2 % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Depreciation Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in Qualified Investments. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any reserve account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required) shall be promptly eliminated with monies from the Depreciation Fund.

B. The Depository Bank and the Commission, as applicable, are hereby designated as the Fiscal Agents for the administration of the Series 2007 A Bonds Reserve Account and the Depreciation Fund, and all amounts required for the Series 2007 A Bonds Reserve Account and Depreciation Fund will be deposited therein by the City upon transfers of funds from the Revenue Fund at the times provided herein, as applicable, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2007 A Bonds and the interest thereon.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2007 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Any withdrawals from the Series 2007 A Bonds Reserve Account which result in a reduction in the balance of the Series 2007 A Bonds Reserve Account to below the Series 2007 A Bonds Reserve Requirement shall be subsequently restored, on a pro rata basis, from the first Gross Revenues available after all required payments have been made with respect to the principal of and interest on the Prior Bonds and the Series 2007 A Bonds. Monies in the Series 2007 A Bonds Reserve Account shall be used only for, and are hereby pledged for, the purpose of paying principal of and interest on the Series 2007 A Bonds as the same shall come due, when other monies of the City are insufficient therefor, and for no other purpose.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent

payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Depository Bank and the Commission, as applicable, at the direction of the City, shall keep the monies in the Depreciation Fund and the Series 2007 A Bonds Reserve Account, as applicable, invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Depreciation Fund and the Series 2007 A Bonds Reserve Account, so long as the respective reserve requirement is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Depository Bank and the Commission, as applicable.

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

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

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

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2007 A Bonds shall be outstanding and unpaid, or until there shall have been set apart a sum sufficient to prepay the entire principal of the Series 2007 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the City and the Bondholder.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the City will maintain rates as required in the Prior Ordinance. The City will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2007 A Bonds including all bonds Outstanding and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the City shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Ordinance. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2007 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds. So long as the Prior Bonds are outstanding, no additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except as set forth in the Prior Ordinance.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2007 A Bonds.

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments

hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the City, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in the certificate of the Independent Certified Public Accountants.

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the Series 2007 A Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond. The City shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior liens of the Bonds on such Revenues. The City shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which

rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2007 A Bonds.

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

Section 5.05. Insurance and Bonds. So long as the Prior Bonds are outstanding, the City will maintain insurance and fidelity bonds as required by the Prior Ordinance. The City hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2007 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

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

(ii) Public Liability Insurance, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the City from claims for bodily injury and/or death, and not less than \$200,000 to protect the City from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2007 A Bonds.

(iii) Vehicular Public Liability Insurance in the event the City owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the City is operated at any time or times for the benefit of the City, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the City from claims for bodily injury and/or death, and not less than \$200,000 to protect the City from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to

acquisition or commencement of operation of any such vehicle for the City.

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

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

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

(vii) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2007 A Bonds are outstanding, the City will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the City with such coverages and such insurance carriers or bonding companies as are acceptable to Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2007 A Bonds, on a parity with the Prior Bonds.

Section 5.07. Operating Budget and Audit. The City shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by ordinance a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Purchaser within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose

of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the City shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all ordinances authorizing increased expenditures for operation and maintenance to the Purchaser and to any Holder of any Bonds who shall file his or her address with the City and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

In addition, the City shall annually cause the records of the System to be audited by an independent certified public accountant, the report of which audit shall be submitted to the Purchaser and which audit report shall include a statement that the City is in compliance with the terms and provisions of this Ordinance and that the revenues of the System are adequate to meet the City's Operating Expenses and debt service requirements.

Section 5.08. Books and Records. 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 Holder of a Bond or Bonds issued pursuant to this 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. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body 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 Governing Body shall be reported to such agent of the City as the Governing Body shall direct.

The City shall file with the Consulting Engineers and the Purchaser, or any other original purchaser of the Series 2007 A Bonds, and shall mail in each year to any Holder or Holders of Series 2007 A Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance, if any, and the Prior Ordinance with respect to all Outstanding Bonds and the status of all said funds and accounts.

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

The City shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Series 2007 A Bonds, and shall submit said report to the Purchaser, or any other original purchaser of such Bonds. Such audit report submitted to the Purchaser shall include a statement that the City is in compliance with the terms and provisions of this Ordinance and that the revenues of the System are adequate to meet the City's Operating Expenses and debt service requirements.

Section 5.09. Maintenance of System. The City covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2007 A Bonds are outstanding.

Section 5.10. No Competition. To the extent legally allowable, the City will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the City or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Water Rate Ordinance enacted by the City on March 21, 2005.

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

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

D. The City will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the City or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

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

ARTICLE VII

TAX COVENANTS

Section 7.01. Tax Covenants. The City hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2007 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2007 A Bonds during the term thereof is, under the terms of the Series 2007 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2007 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 2007 A Bonds during the term thereof is, under the terms of the Series 2007 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 City, 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 2007 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the project, or if the Series 2007 A Bonds is for the purpose of financing more than one project, a portion of the project, and shall not exceed the proceeds used for the governmental use of that portion of the project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. **PRIVATE LOAN LIMITATION.** The City shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2007 A Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The 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 2007 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2007 A Bonds

and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The City will take all actions that may be required of it so that the interest on the Series 2007 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions which would adversely affect such exclusion.

Section 7.02. Arbitrage and Tax Exemption. The City covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2007 A Bonds which would cause the Series 2007 A Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2007 A Bonds) so that the interest on the Series 2007 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 7.03. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2007 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2007 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The City shall calculate, annually, if not exempt therefrom, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. The City shall pay, or cause to be paid, to the United States, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. The 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. The City and the Depository Bank (at the expense of the City) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2007 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on the Series 2007 A Bonds or the Prior Bonds;

(B) If default occurs in City of Hurricane's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2007 A Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to City of Hurricane by any Bondholder;

(C) 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

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

The City must cure any covenant default within 30 days after notice of the default, and failure to pay principal of or interest on the Bonds shall be an immediate Event of Default.

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, any Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of the Holders of the Bonds including the right to require the City to perform its duties under the Act and the Legislation relating thereto, (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 Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Legislation with respect to the Bonds, or the rights of the Holders of the Bonds; provided that, all rights and remedies of the Holders of the Series 2007 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

No remedy by the terms of this Ordinance conferred upon or reserved to the Holders of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Holders of the Bonds hereunder or now or hereafter existing at law or by statute.

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

No waiver of any default or Event of Default hereunder by the Holders of the Notes or Bonds shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2007 A Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the Holders of the Series 2007 A Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2007 A Bonds from gross income for federal income tax purposes.

The Series 2007 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Series 2007 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 2007 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 an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with 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 the Series 2007 A Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of the Series 2007 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with 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 the Series 2007 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with 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 the Series 2007 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 said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Ordinance. Prior to issuance of the Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2007 A Bonds, no material modification or amendment of this Ordinance, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the Holders of the Series 2007 A Bonds then Outstanding; provided, that no change shall be made in the maturity of any Bond or 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 funds herein pledged therefor without the consent of the respective Holder thereof. Notwithstanding the foregoing, this Ordinance may be amended without the consent of the Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Notes and Bonds from gross income of the Bondholder.

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

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Bonds.

Section 10.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.05. Conflicting Provisions Repealed. All ordinances, resolutions, indentures or orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, this section shall not be applicable to the Prior Ordinance. In the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive); as long as the Prior Bonds are outstanding.

Section 10.06. Covenant of Due Procedure, Etc. 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 adoption 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 Manager, the Recorder, and members of the Council were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.07. Effective Date. This Ordinance shall be effective following the public hearing and final reading hereof.

Section 10.08. Statutory Notice and Public Hearing _____. Upon adoption hereof, an abstract of this Ordinance, determined by the City to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the *Hurricane Breeze*, a newspaper of general circulation in the City of Hurricane, 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 Council upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder for review by interested parties during the office hours of the Recorder.

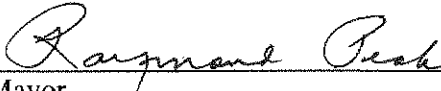
At such hearing, all objections and suggestions shall be heard and Council shall take such action as it shall deem proper in the premises.

Passed on First Reading: April 2, 2007

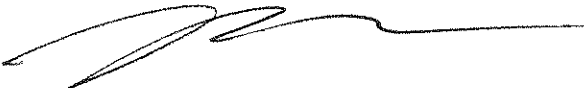
Passed on Second Reading: April 23, 2007

Passed on Final Reading
following Public Hearing: May 7, 2007

Enacted this 7th day of May, 2007.



Mayor



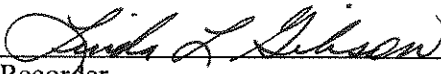
City Manager

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Hurricane on the 7th day of May, 2007.

Dated this 31st day of May, 2007.

[SEAL]


Recorder

03/09/07
435630.00009

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

SUPPLEMENTAL AND AMENDATORY RESOLUTION

SUPPLEMENTAL AND AMENDATORY RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE WATER REFUNDING REVENUE BONDS, SERIES 2007 A OF THE CITY OF HURRICANE; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO BRANCH BANKING AND TRUST COMPANY; APPROVING A RESERVE ACCOUNT FOR THE BONDS; APPROVING THE PROJECT FUND AGREEMENT FOR THE BONDS; APPROVING THE AMENDMENTS TO SECTIONS 3.10(D) AND 1.03 OF THE ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

WHEREAS, the Governing Body has duly and officially enacted on May 7, 2007, an Ordinance (the "Ordinance") entitled:

ORDINANCE AUTHORIZING THE PERMANENT FINANCING OF THE WATER REVENUE BONDS, SERIES 2005 A AND CERTAIN INTERIM FINANCING; AUTHORIZING THE ACQUISITION AND CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE WATERWORKS FACILITIES, OF THE CITY OF HURRICANE AND FINANCING THE COSTS THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2007 A, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$2,500,000, PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING THERETO; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH

BONDS AND ADOPTING OTHER PROVISIONS WITH
RESPECT TO SUCH BONDS.

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

WHEREAS, the Ordinance provides for the issuance by the Issuer of its Water Refunding Revenue Bonds, Series 2007 A in the aggregate principal amount not to exceed \$2,500,000, all in accordance with Chapter 18, Article 19 of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, it is deemed necessary for the Issuer to issue its Water Refunding Revenue Bonds, Series 2007 A ("Series 2007 A Bonds"), in an aggregate principal amount of not more than \$2,500,000, to permanently finance the Water Revenue Bonds, Series 2005 A, dated August 24, 2005, issued in the aggregate principal amount of \$995,000 (the "Series 2005 A Bonds") and the Interim Financing (defined and described in the Ordinance), to pay costs of acquisition, construction, and equipping of the Project, and to pay the costs of issuance of the Bonds and related costs;

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

WHEREAS, the Bonds are proposed to be purchased by Branch Banking and Trust Company, Charlotte, North Carolina, West Virginia (the "Purchaser" or the "Bank"), pursuant to a commitment letter dated February 22, 2007, as amended on March 1, 2007 and April 3, 2007 (collectively, the "Commitment Letter");

WHEREAS, the Commitment Letter does not require a reserve account, but Issuer hereby desires to establish a reserve account for the Series 2007 A Bonds; and

WHEREAS, the Issuer desires to approve and adopt the Project Fund Agreement (the "Agreement") which supplements Section 3.10 (D) of the Ordinance.

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

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

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted, and there are hereby authorized and ordered to be issued the Water Refunding Revenue Bonds, Series 2007 A, of the Issuer, initially represented by a single Bond, numbered AR-1, in the principal amount of \$1,880,000. The Bonds shall be dated on or about May 31, 2007, and shall finally mature fifteen (15) years from the actual date of the Bonds. Interest on the Bonds shall be payable on the first day of each month, commencing on July 1, 2007, at the rate of 4.26% per annum (the "Tax-Exempt Rate"), provided that, in the event that the interest on the Bonds is determined to be subject to federal income taxation by the Internal Revenue Service, such interest shall be at the rate of 2% above the prime rate published in the money rates column of The Wall Street Journal, as the same may change from time to time from the date of such determination of taxability. The Bonds shall be subject to prepayment of principal balance in whole on a scheduled payment date with a prepayment premium of 1%.

Section 2. Proceeds of the Bonds shall be expended solely for the purposes of (i) permanently financing the Series 2005 A Bonds and the Interim Financing (as defined and described in the Ordinance); (ii) paying costs of acquisition, construction and equipping of the Project; and (iii) paying costs of issuance of the Bonds and related costs.

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

Section 4. The Bonds shall be sold to Branch Banking and Trust Company, Charlotte, North Carolina, and shall be registered in the name of such bank pursuant to the terms of the amended Commitment Letter dated April 3, 2007, attached hereto as Exhibit A. The Issuer hereby approves the Commitment Letter. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 5. The Issuer hereby approves the Project Fund Agreement substantially in the form attached hereto as Exhibit B, and approves the inclusion of its terms under Section 3.10(D) of the Ordinance, as follows:

D. ~~As the City receives advances of~~ The remaining monies derived from the sale of the Series 2007 A Bonds, ~~such monies~~ shall be deposited with the Depository Bank in the Series 2007 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2007 A Bonds. All covenants and requirements of the Series 2007 A Bonds Construction Trust Fund shall be as set forth in the Project Fund Agreement, approved by the Issuer.

Section 6. The Mayor and Recorder are hereby authorized and directed to execute and deliver the Bonds and such other documents and certificates required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered to the Purchaser on or about May 31, 2007.

Section 7. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent.

Section 8. The Issuer hereby appoints and designates Branch Banking and Trust Company, as the Registrar and the Depository Bank.

Section 9. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or are reasonably anticipated to be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2007.

Section 10. The Issuer qualifies for the small governmental issuer exception to rebate as the Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 2007, the calendar year in which the Bonds are issued, is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code.

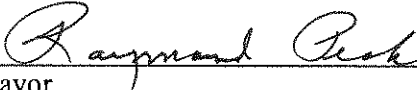
Section 11. The issuance of the Bonds, the permanent financing of the Series 2005 A Bonds and the Interim Financing, and the acquisition, construction and equipping of the Project with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. Under Section 1.03 of the Bond Ordinance, the definition of the "Series 2007 A Bonds Reserve Account Requirement" shall mean, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2007 A Bonds in the then current or any succeeding year. The Commitment Letter does not require the Issuer to maintain a reserve account, however, in order to issue the Series 2007 A Bonds on a parity with the Prior Bonds, a reserve account is required.

Section 13. The Issuer hereby approves payments from the proceeds of the Series 2007 A Bonds as follows: (i) the entire outstanding amount of the principal of Series 2005 A Bonds and any accrued interest due as of May 31, 2007 in the amount of \$882,370, the entire amount of the Interim Financing and all accrued interest due as of May 31, 2007, in the amount of \$623,981; (ii) project costs in the amount of \$355,389 and (iii) costs of issuance of the Bonds in the amount of \$18,260, which includes the bank fee.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 29th day of May, 2007.



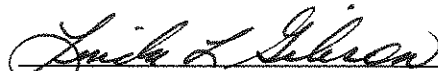
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council
of the City of Hurricane on May 29, 2007.

Dated: May 31, 2007.

[SEAL]


Recorder

05.03.07
435630.00009

EXHIBIT A

APRIL 3, 2007 COMMITMENT LETTER

EXHIBIT B

PROJECT FUND AGREEMENT

PROJECT FUND AGREEMENT

THIS PROJECT FUND AGREEMENT is dated as of May 31, 2007, and is by and between the **CITY OF HURRICANE, WEST VIRGINIA**, a public body of the State of West Virginia (the "City"), and **BRANCH BANKING AND TRUST COMPANY ("BB&T")**.

RECITALS

The City is, simultaneously with the execution and delivery of this Project Fund Agreement, executing and delivering a Bond Ordinance dated of the Issuer duly enacted on May 7, 2007 as supplemented by a Supplemental and Amendatory Resolution duly adopted on May 29, 2007 (collectively, the "Ordinance"). The purpose of the Ordinance is to provide for the issuance of the City's Water Refunding Revenue Bonds, Series 2007 A (the "Bonds") pursuant to which BB&T has advanced \$1,880,000 to the City to (i) permanently finance the Water Revenue Bonds, Series 2005 A, dated August 24, 2005, issued in the original aggregate principal amount of \$995,000.00 and the Interim Financing (as defined and described in the Ordinance); (ii) pay the costs of acquisition, construction and equipping of the Project (as defined and described in the Ordinance) (the "Project"), and (iii) pay the costs of issuance of the Bonds and related costs. In partial consideration for BB&T's entering into the Ordinance, the City has agreed to provide for financing proceeds to be deposited and disbursed pursuant to this Project Fund Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Project Fund Agreement, the term "**Project Costs**" means all costs of the acquiring, constructing and equipping of the Project as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments payable by the City under the Ordinance, including (a) sums required to reimburse the City or its agents for advances made for any such costs, (b) interest during the installation process and for up to six months thereafter, and (c) all costs related to the financing of the Equipment through the Ordinance and all related transactions.

In addition, any capitalized terms used in this Project Fund Agreement and not otherwise defined shall have the meanings assigned thereto in the Ordinance.

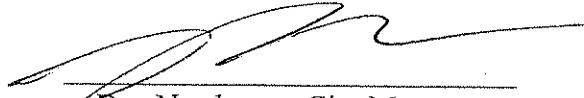
SECTION 2. PROJECT FUND.

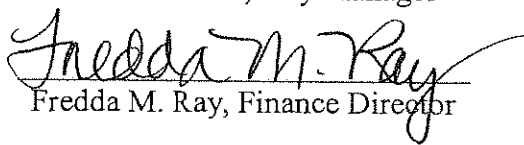
2.1. Project Fund. On the Closing Date, BB&T will deposit \$1,880,000.00 into a special account of the City at Branch Banking and Trust Company to be designated "Series 2007 A Bonds Construction Trust Fund" (the "Project Fund"). This account shall be held separate and apart from

CH891358.1

all other funds of the City. The Project Fund is the City's property, but the City will withdraw amounts on deposit in the Project Fund only as provided in this Agreement and only for application from time to time to the payment of Project Costs. Pending such application, such amounts shall be subject to a lien and charge in favor of BB&T to secure the City's obligations under the Bonds and the Ordinance.

2.2. Requisitions from Project Fund. The City may withdraw funds from the Project Fund only after authorization from BB&T. BB&T will disburse funds from the Project Fund only to the City and only upon its receipt of one or more written requisitions signed by one of the below listed designated City Representatives substantially in the form of Exhibit A.


Ben Newhouse, City Manager


Fredda M. Ray, Finance Director

The City may designate additional Representatives to sign requisitions upon written notification to BB&T.

Upon receipt of a requisition from the City, BB&T will promptly undertake such review of the matters referred to in such requisition as it shall deem appropriate, and will then promptly notify the City of its approval of the requisition or the reasons for its disapproval.

2.3. Disposition of Project Fund Balance.

(a) *Upon completion* -- Promptly after the acquisition, construction and equipping of the Project has been completed, the City shall deliver to BB&T a certificate to such effect signed by a City Representative.

(b) *Upon default* -- Upon the occurrence of an Event of Default, BB&T may withdraw any balance remaining in the Project Fund and apply such balance against outstanding payments due with respect to the Bonds or the Ordinance.

(c) *After delay or inactivity* -- If (i) more than two years have elapsed from the Closing Date or (ii) at least six months has passed from BB&T's most recent receipt of a requisition for Project Costs, then BB&T, upon 30 days' notice from BB&T to the City, may withdraw any balance remaining in the Project Fund and apply such balance against outstanding payments due with respect to the Bonds or the Ordinance.

(d) *Application of Project Fund balance* -- BB&T will apply any amounts paid to it pursuant to this section (i) first to interest accrued and unpaid to the prepayment date, (ii) then to the prepayment, in inverse order of maturity and without premium, of the outstanding principal payments due on the Bonds, and (iii) then to any other payments due under the Ordinance. Such prepayment, however, will not affect any other City payment obligation under the Ordinance.

BB&T will notify the City of any withdrawal from the Project Fund made under this Section 2.3, and in the notice will describe its application of the funds withdrawn.

2.4. Investment. (a) The City and BB&T agree that money in the Project 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 BB&T 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 Installment Payments would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project 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 Project Fund.

(d) All earnings on moneys in the Project Fund must be used for Project Costs.

SECTION 3. MISCELLANEOUS.

3.1. Notices. Any notice or other communication required or contemplated by this Project 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: City of Hurricane, West Virginia, Attention: Finance Director, 3255 Teays Valley Road, Hurricane, West Virginia 25526.

(ii) If intended for BB&T, addressed to it at the following address: BB&T Governmental Finance, Attention: Account Administration/Municipal -- Project Fund Agreement Notice, 5130 Parkway Plaza Boulevard, Building 9, Charlotte, North Carolina 28217.

Any party may designate a different or alternate address for notices by notice given under this Project Fund Agreement.

3.2. Survival of Covenants and Representations. All covenants, representations and warranties made by the City in this Project Fund Agreement and in any certificates delivered pursuant to this Project Fund Agreement shall survive the delivery of this Project Fund Agreement.

3.3. **Choice of Law.** The parties intend that West Virginia law shall govern this Project Fund Agreement.

3.4. **Amendments.** This Project Fund Agreement may not be modified or amended unless such amendment is in writing and signed by BB&T and 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 Project Fund Agreement.

3.6. **Successors and Assigns.** All of the covenants and conditions of this Project Fund Agreement shall be binding upon and inure to the benefit of the parties to this Project Fund Agreement and their respective successors and assigns.

3.7. **Severability.** If any court of competent jurisdiction shall hold any provision of this Project Fund Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this.

3.8. **Counterparts.** This Project 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 Project Fund Agreement, this Project Fund Agreement shall cease and terminate upon payment of all funds (including investment proceeds) from the Project Fund.

IN WITNESS WHEREOF, each of the parties has caused this Project Fund Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

(SEAL)

CITY OF HURRICANE,
WEST VIRGINIA

ATTEST

By: Linda L. Gibson

Printed Name: Linda Gibson

Title: Recorder

By: Raymond Beck
Mayor

BRANCH BANKING AND
TRUST COMPANY

By: Russell A. Akers II

Printed Name: Russell A. Akers, II

Title: Assistant Vice President

[Project Fund Agreement dated as of May31, 2007]

EXHIBIT A

PROJECT FUND REQUISITION

[To Be Prepared on City's Letterhead for Submission]

[Date] _____

Kathy McDermott
Funding Administrator
BB&T Governmental Finance
5130 Parkway Plaza Boulevard, Building 9
Charlotte, North Carolina 28217

RE: Request for disbursement of funds from the Project Fund related to Contract No. 003-0821172-001 with the City of Hurricane, West Virginia, dated May 9, 2007.

Dear Ms. McDermott,

Pursuant to the terms and conditions of the Project Fund Agreement dated as of May 9, 2007, the City of Hurricane, West Virginia (the "City"), requests the disbursement of funds from the Project Fund established under the Project Fund Agreement for the following Project Costs:

This is requisition number _____ from the Project Fund.

Checks will be payable to the City of Hurricane, West Virginia

Amount:

Applicable Vendor Invoices:

Project Description:

Location of Equipment/Facilities:

The City of Hurricane, West Virginia makes this requisition pursuant to the following representations:

1. The City has appropriated in its current fiscal year funds sufficient to pay the payments due on the Bonds and otherwise under the Ordinance due in the current fiscal year.
2. The purpose of this disbursement is for partial payment on the project provided for under the Contract referenced above.
3. The requested disbursement has not been subject to any previous requisition.
4. No notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable herein to any of the persons, firms or corporations named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition.
5. This requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this requisition.
6. No Event of Default is continuing under the Ordinance, and no event or condition is existing which, with notice or lapse of time or both, would become an Event of Default.
7. The City will execute any Uniform Commercial Code financing statements with respect to this portion of the Equipment that BB&T may request to evidence its security interest.
8. The City has in place insurance on this portion of the Equipment that complies with the insurance provisions of the above-referenced Contract.

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.

**CITY OF HURRICANE,
WEST VIRGINIA**

By: _____

Title: _____

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On May 31, 2007, the undersigned authorized representative of Branch Banking and Trust Company, Charlotte, North Carolina (the "Purchaser"), and the undersigned Mayor of the City of Hurricane (the "Issuer"), hereby certify as follows:

1. On May 31, 2007, at Charleston, West Virginia, the Purchaser received the City of Hurricane Water Refunding Revenue Bonds, Series 2007 A, No. AR-1 (the "Bonds"), issued as a single Bond in the principal amount of \$1,880,000, dated May 31, 2007. The Bonds represent the entire above-captioned Bond issue.

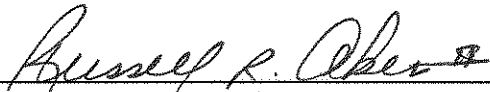
2. At the time of such receipt, the Bonds had been executed and sealed by the designated officials of the Issuer.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of \$1,880,000, being the entire principal amount (100%) of the Bonds.

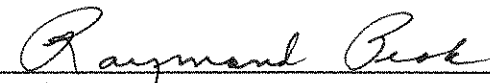
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WITNESS our respective signatures dated the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: 
Its: Assistant Vice President

CITY OF HURRICANE

By: 
Its: Mayor

04.24.07
435630.00009

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Branch Banking and Trust Company,
as Registrar
Charlotte, North Carolina

Ladies and Gentlemen:

As of the 31st day of May, 2007, there are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bond No. AR-1, constituting the entire original issue of the City of Hurricane Water Refunding Revenue Bonds, Series 2007 A, dated May 31, 2007, in the principal amount of \$1,880,000 (the "Bonds"), executed by the Mayor, the City Manager and the Recorder of the City of Hurricane (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Ordinance enacted by the Issuer on May 7, 2007, and a Supplemental and Amendatory Resolution adopted by the Issuer on May 29, 2007 (collectively, the "Ordinance").

2. A copy of the Ordinance duly certified by the Recorder.

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

4. A list of the names in which the Bonds are to be registered upon original issuance, together with taxpayer identification and other information as requested by you.

You are hereby requested and authorized to authenticate, register and deliver the Bonds to Branch Banking and Trust Company, Charlotte, North Carolina, as the Purchaser thereof.

Dated as of the day and year first written above.

CITY OF HURRICANE

By: Raymond Peak
Its: Mayor

05.23.07
435630.00009

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

No. AR-1

\$1,880,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 31st day of May, 2007, the CITY OF HURRICANE, a municipal corporation and political subdivision of the State of West Virginia in Putnam County of said State (the "City"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of

- BRANCH BANK AND TRUST COMPANY -

or registered assigns (the "Registered Owner"), on May 31, 2022, the principal sum of ONE MILLION EIGHT HUNDRED EIGHTY THOUSAND DOLLARS (\$1,880,000), or such lesser amount as shall have been advanced to the City hereunder and not previously repaid, as evidenced by the Record of Advances attached as EXHIBIT A hereto and incorporated herein by reference as a part hereof, together with interest payable thereon, in monthly installments, on the first day of each month, commencing July 1, 2007, on such advances from the date thereof at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of 4.26% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at the rate of 2% above the prime rate published in the money rates column of The Wall Street Journal, as the same may change from time to time from the date of such determination of taxability (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent.

The loan evidenced by this Bond shall be advanced to the City as requested by the City and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

This Bond is subject to prepayment of the principal balance in whole on a scheduled payment date with a 1 % prepayment premium.

This Bond is issued (i) to permanently finance the City of Hurricane's Water Revenue Bonds, Series 2005 A and the Interim Financing (as defined in the Bond Legislation);(ii) to pay costs of acquisition, construction and equipping of Project; and (iii) to pay the costs of issuance hereof and related costs. The existing public waterworks facilities of the City and any further improvements or extensions thereto are herein called the "System". This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance duly enacted by the City on May 7, 2007, as supplemented by a Supplemental Resolution duly adopted by the City on May 7, 2007 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE WATER REVENUE BONDS, SERIES 1994, DATED MAY 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest, if any, 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. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Gross Revenues, the monies in the Series 2007 A Bonds Reserve Account and unexpended proceeds of the Bonds.

So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance authorizing the Prior Bonds shall be applicable. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Branch Banking and Trust Company, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from the sources set forth above. Under the Legislation, the City has entered into certain covenants with the Registered Owner, for the terms of which reference is made to said Legislation. Remedies provided the Registered Owner are exclusively as provided in the Legislation, to which reference is here made for a detailed description thereof.

All monies received from the sale of this Bond shall be applied solely to the permanent financing of the Series 2005 A Bonds and Interim Financing, the costs of acquisition, construction and equipping the Project, and the costs of issuance and related costs described in the Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

Under the Act, this Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The Issuer has hereby designated this bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the Bonds, together with all other obligations of the City, do not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Left Blank]

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

[SEAL]



Mayor



City Manager

ATTEST:



Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: May 31, 2007.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: *Richard R. Allen II*
Its: Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

AMOUNT		DATE		AMOUNT		DATE	
(1)	\$1,880,000	May 31, 2007	(13)	\$			
(2)	\$		(14)	\$			
(3)	\$		(15)	\$			
(4)	\$		(16)	\$			
(5)	\$		(17)	\$			
(6)	\$		(18)	\$			
(7)	\$		(19)	\$			
(8)	\$		(20)	\$			
(9)	\$		(21)	\$			
(10)	\$		(22)	\$			
(11)	\$		(23)	\$			
(12)	\$		(24)	\$			
TOTAL				\$ 1,880,000			

ASSIGNMENT

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

Dated: _____, 20____.

IN THE PRESENCE OF:

City of Hurricane, West Virginia
Water Refunding Bonds, Series 2007A

Compound Period: Monthly

Nominal Annual Rate: 4.260 %

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	05/31/2007				1,880,000.00
1	06/30/2007	14,152.35	6,674.00	7,478.35	1,872,521.65
2007 Totals		14,152.35	6,674.00	7,478.35	
2	07/31/2007	14,152.35	6,647.45	7,504.90	1,865,016.75
3	08/31/2007	14,152.35	6,620.81	7,531.54	1,857,485.21
4	09/30/2007	14,152.35	6,594.07	7,558.28	1,849,926.93
5	10/31/2007	14,152.35	6,567.24	7,585.11	1,842,341.82
6	11/30/2007	14,152.35	6,540.31	7,612.04	1,834,729.78
7	12/31/2007	14,152.35	6,513.29	7,639.06	1,827,090.72
8	01/31/2008	14,152.35	6,486.17	7,666.18	1,819,424.54
9	02/29/2008	14,152.35	6,458.96	7,693.39	1,811,731.15
10	03/31/2008	14,152.35	6,431.65	7,720.70	1,804,010.45
11	04/30/2008	14,152.35	6,404.24	7,748.11	1,796,262.34
12	05/31/2008	14,152.35	6,376.73	7,775.62	1,788,486.72
13	06/30/2008	14,152.35	6,349.13	7,803.22	1,780,683.50
2008 Totals		169,828.20	77,990.05	91,838.15	
14	07/31/2008	14,152.35	6,321.43	7,830.92	1,772,852.58
15	08/31/2008	14,152.35	6,293.63	7,858.72	1,764,993.86
16	09/30/2008	14,152.35	6,265.73	7,886.62	1,757,107.24
17	10/31/2008	14,152.35	6,237.73	7,914.62	1,749,192.62
18	11/30/2008	14,152.35	6,209.63	7,942.72	1,741,249.90
19	12/31/2008	14,152.35	6,181.44	7,970.91	1,733,278.99
20	01/31/2009	14,152.35	6,153.14	7,999.21	1,725,279.78
21	02/28/2009	14,152.35	6,124.74	8,027.61	1,717,252.17
22	03/31/2009	14,152.35	6,096.25	8,056.10	1,709,196.07
23	04/30/2009	14,152.35	6,067.65	8,084.70	1,701,111.37
24	05/31/2009	14,152.35	6,038.95	8,113.40	1,692,997.97
25	06/30/2009	14,152.35	6,010.14	8,142.21	1,684,855.76
2009 Totals		169,828.20	74,000.46	95,827.74	
26	07/31/2009	14,152.35	5,981.24	8,171.11	1,676,684.65
27	08/31/2009	14,152.35	5,952.23	8,200.12	1,668,484.53
28	09/30/2009	14,152.35	5,923.12	8,229.23	1,660,255.30
29	10/31/2009	14,152.35	5,893.91	8,258.44	1,651,996.86
30	11/30/2009	14,152.35	5,864.59	8,287.76	1,643,709.10
31	12/31/2009	14,152.35	5,835.17	8,317.18	1,635,391.92
32	01/31/2010	14,152.35	5,805.64	8,346.71	1,627,045.21

33	02/28/2010	14,152.35	5,776.01	8,376.34	1,618,668.87
34	03/31/2010	14,152.35	5,746.27	8,406.08	1,610,262.79
35	04/30/2010	14,152.35	5,716.43	8,435.92	1,601,826.87
36	05/31/2010	14,152.35	5,686.49	8,465.86	1,593,361.01
37	06/30/2010	14,152.35	5,656.43	8,495.92	1,584,865.09
2010 Totals		169,828.20	69,837.53	99,990.67	

38	07/31/2010	14,152.35	5,626.27	8,526.08	1,576,339.01
39	08/31/2010	14,152.35	5,596.00	8,556.35	1,567,782.66
40	09/30/2010	14,152.35	5,565.63	8,586.72	1,559,195.94
41	10/31/2010	14,152.35	5,535.15	8,617.20	1,550,578.74
42	11/30/2010	14,152.35	5,504.55	8,647.80	1,541,930.94
43	12/31/2010	14,152.35	5,473.85	8,678.50	1,533,252.44
44	01/31/2011	14,152.35	5,443.05	8,709.30	1,524,543.14
45	02/28/2011	14,152.35	5,412.13	8,740.22	1,515,802.92
46	03/31/2011	14,152.35	5,381.10	8,771.25	1,507,031.67
47	04/30/2011	14,152.35	5,349.96	8,802.39	1,498,229.28
48	05/31/2011	14,152.35	5,318.71	8,833.64	1,489,395.64
49	06/30/2011	14,152.35	5,287.35	8,865.00	1,480,530.64
2011 Totals		169,828.20	65,493.75	104,334.45	

50	07/31/2011	14,152.35	5,255.88	8,896.47	1,471,634.17
51	08/31/2011	14,152.35	5,224.30	8,928.05	1,462,706.12
52	09/30/2011	14,152.35	5,192.61	8,959.74	1,453,746.38
53	10/31/2011	14,152.35	5,160.80	8,991.55	1,444,754.83
54	11/30/2011	14,152.35	5,128.88	9,023.47	1,435,731.36
55	12/31/2011	14,152.35	5,096.85	9,055.50	1,426,675.86
56	01/31/2012	14,152.35	5,064.70	9,087.65	1,417,588.21
57	02/29/2012	14,152.35	5,032.44	9,119.91	1,408,468.30
58	03/31/2012	14,152.35	5,000.06	9,152.29	1,399,316.01
59	04/30/2012	14,152.35	4,967.57	9,184.78	1,390,131.23
60	05/31/2012	14,152.35	4,934.97	9,217.38	1,380,913.85
61	06/30/2012	14,152.35	4,902.24	9,250.11	1,371,663.74
2012 Totals		169,828.20	60,961.30	108,866.90	

62	07/31/2012	14,152.35	4,869.41	9,282.94	1,362,380.80
63	08/31/2012	14,152.35	4,836.45	9,315.90	1,353,064.90
64	09/30/2012	14,152.35	4,803.38	9,348.97	1,343,715.93
65	10/31/2012	14,152.35	4,770.19	9,382.16	1,334,333.77
66	11/30/2012	14,152.35	4,736.88	9,415.47	1,324,918.30
67	12/31/2012	14,152.35	4,703.46	9,448.89	1,315,469.41
68	01/31/2013	14,152.35	4,669.92	9,482.43	1,305,986.98
69	02/28/2013	14,152.35	4,636.25	9,516.10	1,296,470.88
70	03/31/2013	14,152.35	4,602.47	9,549.88	1,286,921.00
71	04/30/2013	14,152.35	4,568.57	9,583.78	1,277,337.22
72	05/31/2013	14,152.35	4,534.55	9,617.80	1,267,719.42
73	06/30/2013	14,152.35	4,500.40	9,651.95	1,258,067.47
2013 Totals		169,828.20	56,231.93	113,596.27	

74	07/31/2013	14,152.35	4,466.14	9,686.21	1,248,381.26
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75	08/31/2013	14,152.35	4,431.75	9,720.60	1,238,660.66
76	09/30/2013	14,152.35	4,397.25	9,755.10	1,228,905.56
77	10/31/2013	14,152.35	4,362.61	9,789.74	1,219,115.82
78	11/30/2013	14,152.35	4,327.86	9,824.49	1,209,291.33
79	12/31/2013	14,152.35	4,292.98	9,859.37	1,199,431.96
80	01/31/2014	14,152.35	4,257.98	9,894.37	1,189,537.59
81	02/28/2014	14,152.35	4,222.86	9,929.49	1,179,608.10
82	03/31/2014	14,152.35	4,187.61	9,964.74	1,169,643.36
83	04/30/2014	14,152.35	4,152.23	10,000.12	1,159,643.24
84	05/31/2014	14,152.35	4,116.73	10,035.62	1,149,607.62
85	06/30/2014	14,152.35	4,081.11	10,071.24	1,139,536.38
2014 Totals		169,828.20	51,297.11	118,531.09	

86	07/31/2014	14,152.35	4,045.35	10,107.00	1,129,429.38
87	08/31/2014	14,152.35	4,009.47	10,142.88	1,119,286.50
88	09/30/2014	14,152.35	3,973.47	10,178.88	1,109,107.62
89	10/31/2014	14,152.35	3,937.33	10,215.02	1,098,892.60
90	11/30/2014	14,152.35	3,901.07	10,251.28	1,088,641.32
91	12/31/2014	14,152.35	3,864.68	10,287.67	1,078,353.65
92	01/31/2015	14,152.35	3,828.16	10,324.19	1,068,029.46
93	02/28/2015	14,152.35	3,791.50	10,360.85	1,057,668.61
94	03/31/2015	14,152.35	3,754.72	10,397.63	1,047,270.98
95	04/30/2015	14,152.35	3,717.81	10,434.54	1,036,836.44
96	05/31/2015	14,152.35	3,680.77	10,471.58	1,026,364.86
97	06/30/2015	14,152.35	3,643.60	10,508.75	1,015,856.11
2015 Totals		169,828.20	46,147.93	123,680.27	

98	07/31/2015	14,152.35	3,606.29	10,546.06	1,005,310.05
99	08/31/2015	14,152.35	3,568.85	10,583.50	994,726.55
100	09/30/2015	14,152.35	3,531.28	10,621.07	984,105.48
101	10/31/2015	14,152.35	3,493.57	10,658.78	973,446.70
102	11/30/2015	14,152.35	3,455.74	10,696.61	962,750.09
103	12/31/2015	14,152.35	3,417.76	10,734.59	952,015.50
104	01/31/2016	14,152.35	3,379.66	10,772.69	941,242.81
105	02/29/2016	14,152.35	3,341.41	10,810.94	930,431.87
106	03/31/2016	14,152.35	3,303.03	10,849.32	919,582.55
107	04/30/2016	14,152.35	3,264.52	10,887.83	908,694.72
108	05/31/2016	14,152.35	3,225.87	10,926.48	897,768.24
109	06/30/2016	14,152.35	3,187.08	10,965.27	886,802.97
2016 Totals		169,828.20	40,775.06	129,053.14	

110	07/31/2016	14,152.35	3,148.15	11,004.20	875,798.77
111	08/31/2016	14,152.35	3,109.09	11,043.26	864,755.51
112	09/30/2016	14,152.35	3,069.88	11,082.47	853,673.04
113	10/31/2016	14,152.35	3,030.54	11,121.81	842,551.23
114	11/30/2016	14,152.35	2,991.06	11,161.29	831,389.94
115	12/31/2016	14,152.35	2,951.43	11,200.92	820,189.02
116	01/31/2017	14,152.35	2,911.67	11,240.68	808,948.34
117	02/28/2017	14,152.35	2,871.77	11,280.58	797,667.76
118	03/31/2017	14,152.35	2,831.72	11,320.63	786,347.13

119	04/30/2017	14,152.35	2,791.53	11,360.82	774,986.31
120	05/31/2017	14,152.35	2,751.20	11,401.15	763,585.16
121	06/30/2017	14,152.35	2,710.73	11,441.62	752,143.54
2017 Totals		169,828.20	35,168.77	134,659.43	

122	07/31/2017	14,152.35	2,670.11	11,482.24	740,661.30
123	08/31/2017	14,152.35	2,629.35	11,523.00	729,138.30
124	09/30/2017	14,152.35	2,588.44	11,563.91	717,574.39
125	10/31/2017	14,152.35	2,547.39	11,604.96	705,969.43
126	11/30/2017	14,152.35	2,506.19	11,646.16	694,323.27
127	12/31/2017	14,152.35	2,464.85	11,687.50	682,635.77
128	01/31/2018	14,152.35	2,423.36	11,728.99	670,906.78
129	02/28/2018	14,152.35	2,381.72	11,770.63	659,136.15
130	03/31/2018	14,152.35	2,339.93	11,812.42	647,323.73
131	04/30/2018	14,152.35	2,298.00	11,854.35	635,469.38
132	05/31/2018	14,152.35	2,255.92	11,896.43	623,572.95
133	06/30/2018	14,152.35	2,213.68	11,938.67	611,634.28
2018 Totals		169,828.20	29,318.94	140,509.26	

134	07/31/2018	14,152.35	2,171.30	11,981.05	599,653.23
135	08/31/2018	14,152.35	2,128.77	12,023.58	587,629.65
136	09/30/2018	14,152.35	2,086.09	12,066.26	575,563.39
137	10/31/2018	14,152.35	2,043.25	12,109.10	563,454.29
138	11/30/2018	14,152.35	2,000.26	12,152.09	551,302.20
139	12/31/2018	14,152.35	1,957.12	12,195.23	539,106.97
140	01/31/2019	14,152.35	1,913.83	12,238.52	526,868.45
141	02/28/2019	14,152.35	1,870.38	12,281.97	514,586.48
142	03/31/2019	14,152.35	1,826.78	12,325.57	502,260.91
143	04/30/2019	14,152.35	1,783.03	12,369.32	489,891.59
144	05/31/2019	14,152.35	1,739.12	12,413.23	477,478.36
145	06/30/2019	14,152.35	1,695.05	12,457.30	465,021.06
2019 Totals		169,828.20	23,214.98	146,613.22	

146	07/31/2019	14,152.35	1,650.82	12,501.53	452,519.53
147	08/31/2019	14,152.35	1,606.44	12,545.91	439,973.62
148	09/30/2019	14,152.35	1,561.91	12,590.44	427,383.18
149	10/31/2019	14,152.35	1,517.21	12,635.14	414,748.04
150	11/30/2019	14,152.35	1,472.36	12,679.99	402,068.05
151	12/31/2019	14,152.35	1,427.34	12,725.01	389,343.04
152	01/31/2020	14,152.35	1,382.17	12,770.18	376,572.86
153	02/29/2020	14,152.35	1,336.83	12,815.52	363,757.34
154	03/31/2020	14,152.35	1,291.34	12,861.01	350,896.33
155	04/30/2020	14,152.35	1,245.68	12,906.67	337,989.66
156	05/31/2020	14,152.35	1,199.86	12,952.49	325,037.17
157	06/30/2020	14,152.35	1,153.88	12,998.47	312,038.70
2020 Totals		169,828.20	16,845.84	152,982.36	

158	07/31/2020	14,152.35	1,107.74	13,044.61	298,994.09
159	08/31/2020	14,152.35	1,061.43	13,090.92	285,903.17
160	09/30/2020	14,152.35	1,014.96	13,137.39	272,765.78

161	10/31/2020	14,152.35	968.32	13,184.03	259,581.75
162	11/30/2020	14,152.35	921.52	13,230.83	246,350.92
163	12/31/2020	14,152.35	874.55	13,277.80	233,073.12
164	01/31/2021	14,152.35	827.41	13,324.94	219,748.18
165	02/28/2021	14,152.35	780.11	13,372.24	206,375.94
166	03/31/2021	14,152.35	732.63	13,419.72	192,956.22
167	04/30/2021	14,152.35	684.99	13,467.36	179,488.86
168	05/31/2021	14,152.35	637.19	13,515.16	165,973.70
169	06/30/2021	14,152.35	589.21	13,563.14	152,410.56
2021 Totals		169,828.20	10,200.06	159,628.14	
170	07/31/2021	14,152.35	541.06	13,611.29	138,799.27
171	08/31/2021	14,152.35	492.74	13,659.61	125,139.66
172	09/30/2021	14,152.35	444.25	13,708.10	111,431.56
173	10/31/2021	14,152.35	395.58	13,756.77	97,674.79
174	11/30/2021	14,152.35	346.75	13,805.60	83,869.19
175	12/31/2021	14,152.35	297.74	13,854.61	70,014.58
176	01/31/2022	14,152.35	248.55	13,903.80	56,110.78
177	02/28/2022	14,152.35	199.19	13,953.16	42,157.62
178	03/31/2022	14,152.35	149.66	14,002.69	28,154.93
179	04/30/2022	14,152.35	99.95	14,052.40	14,102.53
180	05/31/2022	14,152.35	49.82	14,102.53	0.00
2022 Totals		155,675.85	3,265.29	152,410.56	
Grand Totals		2,547,423.00	667,423.00	1,880,000.00	

May 31, 2007

City of Hurricane
Water Refunding Revenue Bonds, Series 2007 A

City of Hurricane
Hurricane, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Hurricane (the "Issuer") of its \$1,880,000 Water Refunding Revenue Bonds, Series 2007 A (the "Bonds"), dated the date hereof.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on May 7, 2007, as supplemented by a Supplemental and Amendatory Resolution duly adopted by the Issuer on May 29, 2007 (collectively, the "Ordinance"), and are subject to all the terms and conditions of the Ordinance. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance when used herein.

The Bonds are originally issued in the form of one bond, numbered AR-I, in fully registered form and bear interest on advances of the principal amount thereof from the date of each such advance at the rate of 4.26% per annum, subject to a higher rate in the event of a "Determination of Taxability" (as defined in the Bonds), payable at maturity or earlier prepayment thereof.

The Bonds are subject to prepayment of the principal balance, in whole on any scheduled payment date, at a 1% prepayment premium.

The Bonds are issued for the purposes of (i) permanently financing the Water Revenue Bonds, Series 2005 A, dated August 24, 2005, issued in the original aggregate principal amount of \$995,000 and the Interim Financing (as defined and described in the Ordinance); (ii) paying costs of acquisition, construction and equipping of the Project and (iii) paying the costs of issuance of the Bonds and related costs.

The Bonds have been sold to Branch Banking and Trust Company, Charlotte, North Carolina (the "Purchaser"), pursuant to a commitment letter dated February 22, 2007, as amended on March 1, 2007, and April 3, 2007.

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

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

1. The Issuer is a duly created and validly existing municipal corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to enact the Ordinance and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.
2. The Ordinance has been duly adopted and enacted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.
3. The Series 2007 A Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Ordinance and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with the Issuer's Prior Bonds, all as more fully defined and described in the Ordinance, and a statutory mortgage lien upon the System, including without limitation the personal property financed in whole or in part with the proceeds of the Bonds.
4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code") and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Ordinance, and in certain certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds except as expressly set forth in paragraphs 6 and 7.

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

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to permanently finance any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2007. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 2007, the calendar year in which the Bonds are issued, is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer. Therefore, the Issuer qualifies for the small governmental issuer exception to rebate.

8. The Issuer's Water Revenue Bonds, Series 2005 A (the "Series 2005 A Bonds"), dated August 24, 2005, issued in the original aggregate principal amount of \$995,000 have been paid within the meaning and with the effect expressed in the 2005 Bond Ordinance, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2005 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of JPMorgan Chase Bank, N.A. relating to the sufficiency of the monies on deposit in the Series 2005 A Bonds Payment Fund to provide for the payment of the principal of and interest on the Series 2005 A Bonds and the redemption premium, if any, as determined by the Registered Owner of the Series 2005 A Bonds.

9. The Issuer's Interim Financing (as defined and described in the Ordinance) has been paid in full. In rendering this opinion set forth in this paragraph, we have relied upon the receipts from United Bank, Inc., Putnam County Bank, Scott Gordon, and Eric Gordon.

City of Hurricane, et al.
May 31, 2007
Page 4

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

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

Very truly yours,


STEPHENS & JOHNSON PLLC

05.23.07
435630.00009

CH880068.5

Ronald J. Flora

ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5354
FAX (304) 743-4120
E-MAIL: lawro77@aol.com

Jennifer R. Smith / C.L.A.

May 31, 2007

City of Hurricane
Water Refunding Revenue Bonds, Series 2007A

City of Hurricane
Hurricane, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Hurricane, in Putnam County, West Virginia (the "Issuer"), in connection with the issuance and sale of the above-captioned bonds (the "Bonds"). As such counsel, I have reviewed copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the commitment letter dated February 22, 2007, as revised on March 1, 2007 and April 3, 2007, from Branch Banking and Trust Company, Charlotte, North Carolina (the "Purchaser"), the Bond Ordinance of the Issuer duly enacted May 7, 2007, as supplemented by the Supplemental Resolution of the Issuer duly adopted May 29, 2007 (collectively, the "Ordinance"), and other documents relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in Ordinance when used herein.

I am of the opinion that:

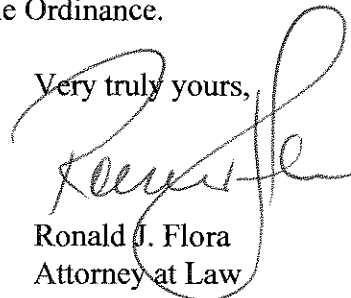
1. The issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia.
2. The Mayor, City Manager, Recorder, and members of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Ordinance has been duly adopted and enacted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

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

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

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

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ronald J. Flora", is written over the typed name and title. The signature is fluid and cursive.

Ronald J. Flora
Attorney at Law

RJF/js

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

GENERAL CERTIFICATE OF THE ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. PUBLICATION OF NOTICES
5. SALE, DELIVERY AND PAYMENT OF BONDS; SIGNATURES
6. CERTIFICATION OF DOCUMENTS
7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
8. MEETINGS, ETC.
9. INCUMBENCY AND OFFICIAL NAME
10. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND
PAYING AGENT
11. PRIVATE USE OF FACILITIES
12. NO FEDERAL GUARANTY
13. SPECIMEN BOND
14. CONFLICT OF INTEREST
15. PROCUREMENT OF ENGINEERING SERVICES
16. RATES; PARITY COMPLIANCE
17. COUNTERPARTS

We, the undersigned MAYOR, CITY MANAGER, and RECORDER of the City of Hurricane (the "Issuer"), and the undersigned ATTORNEY to the Issuer hereby certify as of the 31st day of May, 2007, in connection with the City of Hurricane Water Refunding Revenue Bonds, Series 2007 A (the "Bonds"), dated the date hereof, as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance of the Issuer duly enacted on May 7, 2007, as supplemented by a Supplemental and Amendatory Resolution duly adopted on May 29, 2007 (collectively, the "Ordinance").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance, sale and delivery of the Bonds, nor in any way questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds nor in any manner affecting the validity or enforceability of the Bonds or the Ordinance; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the Mayor, City Manager,

Recorder, and members of the Council 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 Bonds or the Project.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, licenses, orders, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition, construction and equipping of the Project, issuance of the Bonds and the operation of the System have been duly and timely obtained and remain in full force and effect.

4. PUBLICATION OF NOTICES: Notices of public hearing upon the Ordinance were duly published as required by law. There was no protest to the passage of the Ordinance, and the Ordinance became fully effective on May 7, 2007, and remains in full force and effect.

5. SALE, DELIVERY AND PAYMENT OF BONDS; SIGNATURES: On the date hereof, the Bonds were sold and delivered to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to a commitment letter dated February 22, 2007, as revised on March 1, 2007 and April 3, 2007, at the price of \$1,880,000 (100% of par value), there being no interest accrued thereon. On the date hereof, the Bonds were duly signed by the manual signature of the Mayor and City Manager and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed or imprinted thereon and attested by the manual signature of the Recorder, and the Registrar did officially authenticate, register and deliver the Bonds to the Purchaser. At the time of delivery of the Bonds, the Issuer received the principal amount of the Bonds from the Purchaser.

6. 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 and Amendatory Resolution

City Charter

Oaths of Office of Officers and Councilmembers

Rules of Procedure

Water Rate Ordinance

Minutes on Enactment of Water Rate Ordinance and Affidavit of Publication Regarding Public Hearing

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

Minutes on Adoption of Bond Ordinance and Adoption of Supplemental Resolution

Bank Commitment Letter

Bank Investment Letter

7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the Purchaser offered to purchase the Bonds. The Series 2007 A Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Ordinance and secured by a first lien on and pledge of the Gross Revenues of the System and a statutory mortgage lien upon the System, including without limitation the personal property financing in whole or in part with the proceeds of the Bonds, on a parity with the Issuer's Prior Bonds, all as more fully defined and described in the Ordinance.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the 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 and Regulations 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 or appointed, as applicable, 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.

9. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Hurricane" and it is a municipal corporation of the State of West Virginia, in Putnam County of said state. The governing body of the Issuer is its Council consisting of 5 councilmembers, the Recorder and the Mayor. The names and dates of commencement and termination of current terms of office of the councilmembers are as follows:

<u>Name</u>		<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Raymond Peak	- Mayor	July 1, 2003	June 30, 2007
Linda Gibson	- Recorder	July 1, 2003	June 30, 2007
Frank Sergeant	- Councilmember	July 1, 2003	June 30, 2007
Reggie Billups	- Councilmember	July 1, 2003	June 30, 2007
Wayne Lively	- Councilmember	July 1, 2003	June 30, 2007
David Boyles	- Councilmember	July 1, 2003	June 30, 2007
Scott Edwards	- Councilmember	March 6, 2006	June 30, 2007

The duly appointed and acting City Manager is Ben Newhouse. The duly appointed and acting City Attorney is Ronald J. Flora, Esquire, Milton, West Virginia.

10. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT: The Issuer hereby confirms the appointment of Branch Banking and Trust Company, as Registrar and Depository Bank and the West Virginia Municipal Bond Commission, as Paying Agent for the Bonds.

11. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal of, or interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate related business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit, other than use as a member of the general public. All of the foregoing have been and are to be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended (including any amendments and successor provisions and the rules and regulations thereunder, the "Code").

12. NO FEDERAL GUARANTY: The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

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

14. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds and/or the 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.

15. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

16. RATES; PARITY COMPLIANCE: The Issuer has enacted a water rate ordinance setting forth rates and charges which will be sufficient to provide revenues which will pay all repair, operation and maintenance expenses of the System, and all debt service payments on the Prior Bonds and the Bonds, as more fully described in the Ordinance. The Issuer has received a certificate of a certified public accountant with respect to debt service coverage, in form and substance satisfactory to the Issuer, and that satisfies the requirement of the Prior Ordinance for issue of additional parity bonds.

17. COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official corporate seal of the CITY OF
HURRICANE as of the day and year first written above.

[CORPORATE SEAL]

Signature

Official Title

Raymond Cook
[Signature]

Mayor

City Manager

[Signature]

Recorder

Attorney

WITNESS our signatures and the official corporate seal of the CITY OF HURRICANE as of the day and year first written above.

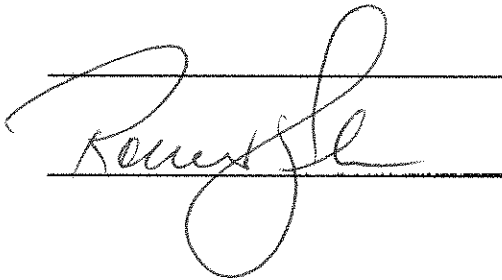
[CORPORATE SEAL]

Signature

Official Title

Mayor

City Manager



Recorder

Attorney

05.03.07
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CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

CERTIFICATE AS TO ARBITRAGE

On this 31st day of May, 2007, the undersigned Mayor of the City of Hurricane, West Virginia (the "Issuer"), being the official of the Issuer charged with the responsibility for issuing the above-referenced bonds (the "Bonds") of the Issuer, and acting for the Issuer and in its name, hereby certifies as follows with regard to the Bonds and use of the proceeds thereof, all capitalized terms used herein and not otherwise defined herein to have the same meanings set forth in the Bond Ordinance duly enacted by the Issuer on May 7, 2007, as supplemented by a Supplemental and Amendatory Resolution duly adopted by the Issuer on May 29, 2007 (collectively, the "Ordinance"):

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or any predecessor thereto (collectively, the "Code"). I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its obligations or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 31, 2007, the date on which the Bonds are to be physically delivered in exchange for more than a de minimus amount of the principal of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted to not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted to not

intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Ordinance, has further covenanted that it will take all actions that may be required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

6. The Bonds were sold on May 31, 2007, to Branch Banking and Trust Company, Charlotte, North Carolina (the "Purchaser"), for a purchase price of \$1,880,000, being the par value thereof, there being no interest accrued thereon.

7. The principal of the Bonds in the amount of \$1,880,000 will be paid to the Issuer on the Closing Date, for the purposes of (i) permanently financing the Issuer's Water Revenue Bonds, Series 2005 A, dated August 24, 2005, issued in the aggregate principal amount of \$995,000 (the "Series 2005 A Bonds"), and the Interim Financing (as described and defined in the Ordinance; (ii) paying costs of acquisition cost and equipping the Project, and (iii) paying costs of issuance and related costs thereof. None of such monies will be deposited in a reserve or replacement fund, and all of such monies are necessary for such purpose.

8. All proceeds from the sale of the Bonds, together with any investment earnings thereon, if any, will be expended for payment of such costs by May 31, 2010.

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

SOURCES

Gross Proceeds of the Bonds	<u>\$1,880,000</u>
Total Sources	<u>\$1,880,000</u>

USES

Paying Series 2005 A Bonds	\$ 972,538.37
Paying Interim Financing	\$ 625,445.12
Costs of Project	\$ 263,756.51
Costs of Issuance	\$ 18,260.00
Total Uses	<u>\$1,880,000.00</u>

The costs of permanently financing the Series 2005 A Bonds and Interim Financing, paying costs of the Project and paying the costs of issuance of the Bonds is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet such costs, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the betterments and improvements for the System, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article IV of the Bond Ordinance, the following special funds have been created or continued:

- (1) Revenue Fund (continued by the Prior Ordinance);
- (2) Operation and Maintenance Fund (continued by the Prior Ordinance);
- (3) Depreciation Fund (continued by the Prior Ordinance);
- (4) Series 2007 A Bonds Costs of Issuance Account;
- (5) Series 2007 A Bonds Sinking Fund; and
- (6) Series 2007 A Bonds Reserve Account.

11. Pursuant to Article III of the Bond Ordinance, the proceeds of the Bonds shall be applied as follows:

A. All interest accrued, if any, on the Series 2007 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2007 A Bonds Sinking Fund and applied to payment of interest on the Series 2007 A Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2007 A Bonds which, together with other monies or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the defeasance of the Series 2005 A Bonds and the Interim Financing (which amount shall be set forth in the Supplemental Resolution) shall be paid to the Holders of the Series 2005 A Bonds and Interim Financing, respectively.

C. An amount of the proceeds of the Series 2007 A Bonds which shall be sufficient to pay all costs of issuance shall be deposited with the Depository Bank in the

Series 2007 A Bonds Costs of Issuance Account and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2007 A Bonds and miscellaneous costs of permanent financing the Series 2005 A Bonds and the Interim Financing at the written direction of the City. All such costs of issuance shall be paid within 60 days of the Closing Date. Monies not to be applied immediately to pay such costs of issuance and permanent financing 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 6 months after the Closing Date, such unapplied proceeds shall be transferred by the City to the Series 2007 A Bonds Sinking Fund.

D. As the City receives advances of the remaining monies derived from the sale of the Series 2007 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2007 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2007 A Bonds. All covenants and requirements of the Series 2007 A Bonds Construction Trust Fund shall be as set forth in the Project Fund Agreement, approved by the City.

E. After completion of the construction of the Project, and all costs have been paid, any remaining proceeds of the Series 2007 A Bonds shall be expended as approved by the Purchaser.

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

12. Monies held in the Series 2007 A Bonds Sinking Fund will be used solely to pay the principal of and interest on the Bonds and will not be available to meet costs of operating and other expenses of the System.

13. Except for the Series 2007 A Bonds Sinking Fund and Series 2007 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay the principal and interest on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. None of the monies received from the Bonds will be deposited in any reserve or replacement fund.

14. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding

investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

15. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Purchaser.

16. There are no funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Depreciation Fund will be used or needed for payments upon the Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan producing a yield in excess of the yield on the Bonds have been or will be pledged to payment of the Bonds. None of the moneys received from the Bonds will be deposited in any reserve or replacement fund. Because amounts in the Depreciation Fund may be expended for other purposes, there is no reasonable assurance that any such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation.

17. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

18. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

19. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

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

21. The Issuer shall use the Bonds proceeds solely for permanently financing the Series 2005 A Bonds and Interim Financing, paying costs of the Project, paying such authorized costs of issuance and the System is and will be operated solely for a public purpose as a local governmental activity of the Issuer.

22. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

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

24. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 2007, the calendar year in which the Bonds are issued, is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer. Therefore, the Issuer qualifies for the small governmental issuer exception to rebate.

25. The Issuer hereby designates the Series 2007 A Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code), including the Series 2007 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during calendar year 2007.

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

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

28. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with any of the Bonds and (c) will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds as any of the Bonds.

29. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

30. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

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

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

33. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

34. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

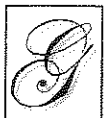
35. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

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

CITY OF HURRICANE

By: Raymond Peck
Its: Mayor

05/23/07
435630.00009



May 31, 2007

City of Hurricane
Water Refunding Revenue Bonds, Series 2007 A

City of Hurricane
Hurricane, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Step toe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the water rate ordinance of the City of Hurricane, enacted March 21, 2005, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by the City of Hurricane (the "Issuer"), it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Issuer's Water Refunding Revenue Bonds, Series 2007 A (the "Series 2007 A Bonds") and all other obligations secured by a lien on or payable from the revenues of the System on a parity with the Series 2007 A Bonds, including the Issuer's Water Revenue Bonds, Series 1994 (the "Prior Bonds").

It is my further opinion that the Net Revenues actually derived from the System during 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2007 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 2007 A Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2007 A Bonds.

Very truly yours,



Michael D. Griffith, CPA

MDG/dk

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

CERTIFICATE OF REGISTRAR

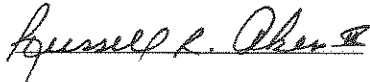
BRANCH BANKING AND TRUST COMPANY, (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the same meanings set forth in the Bond Ordinance of the City of Hurricane (the "Issuer") enacted May 31, 2007, as supplemented by a Supplemental and Amendatory Resolution adopted May 31, 2007 (collectively, the "Ordinance"):

1. The Bank is a banking corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina, 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 capacity 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.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Russell R. Akers, II	Assistant Vice President	

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

IN WITNESS WHEREOF, BRANCH BANKING AND TRUST COMPANY,
has caused this Certificate to be executed by its duly authorized officer, as of the day and
year first written above.

BRANCH BANKING AND TRUST COMPANY

By: Tara Johnson
Its: Authorized Officer

05.03.07
435860.00009

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007A

CERTIFICATE OF PURCHASER

BRANCH BANKING AND TRUST COMPANY, Charlotte, North Carolina (the "Purchaser"), as original purchaser from the City of Hurricane (the "Issuer") of the above-captioned Bonds (the "Bonds"), hereby certifies on this the 31st day of May, 2007, that:

1. We are purchasing the Bonds for our own portfolio and none of the Bonds have been the subject of an initial offering to the public. We do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

2. The weighted average maturity of the Bonds is 8.89270 years.

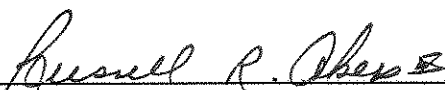
3. The net interest cost on the Bonds is 4.26%

4. This certificate may be relied upon by the Issuer with respect to its Certificate as to Arbitrage relating to the Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Bonds.

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IN WITNESS WHEREOF, BRANCH BANKING AND TRUST COMPANY,
has caused this Certificate to be executed by its duly authorized officer, as of the day and
year first written above.

BRANCH BANKING AND TRUST COMPANY

By: 
Its: Assistant Vice President

03/15/07
435610.00009

WV MUNICIPAL BOND COMMISSION
#8 Capitol Street
Terminal Building, Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: May 31, 2007

(See Reverse for Instructions)

ISSUE: City of Hurricane Water Refunding Revenue Bonds, Series 2007 A

ADDRESS: 3255 Teays Valley Road, Hurricane, West Virginia 25526 COUNTY: Putnam

PURPOSE OF ISSUE: New Money: _____
Refunding: X

REFUNDS ISSUE(S) DATED: August 24, 2005

ISSUE DATE: May 31, 2007

CLOSING DATE: May 31, 2007

ISSUE AMOUNT: \$ 1,880,000

RATE: 4.26%

1ST DEBT SERVICE DUE: July 1, 2007

1ST PRINCIPAL DUE: July 1, 2007

1ST DEBT SERVICE AMOUNT: \$ See Attached

PAYING AGENT: Municipal Bond Commission

BOND

COUNSEL: Steptoe & Johnson PLLC

Contact Person: John C. Stump, Esquire

Phone: (304) 353-8196

UNDERWRITERS

COUNSEL: _____

Contact Person: _____

Phone: _____

CLOSING BANK: Branch Banking & Trust

Contact Person: Russell R. Akers, II, Asst. VP

Phone: (304) 353-1635

ESCROW TRUSTEE: _____

Contact Person: _____

Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Ben Newhouse

Position: City Manager

Phone: (304) 562-5896

OTHER: Bowles Rice McDavid Graff & Love, PLLC

Contact Person: Camden P. Siegrist, Esquire

Function: Bank's Counsel

Phone: _____

DEPOSITS TO MBC AT CLOSE:

By: _____ Wire
_____ Check

Accrued Interest: \$ _____

Capitalized Interest: \$ _____

Reserve Account: \$ _____

Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire
_____ Check
_____ IGT

To Escrow Trustee: \$ _____

To Issuer: \$ _____

To Cons. Invest. Fund: \$ _____

To Other: \$ _____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____

TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

04.24.07
435630.00009

March 1, 2007

Raymond Peak
Mayor
City of Hurricane
3255 Teays Valley Road
Hurricane, WV 25526

Governmental Finance

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1653
Fax (304) 340-4702

Dear Mr. Peak:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the City of Hurricane ("City").

- (1) **Project:** Water Revenue Bonds, Series 2007 A
- (2) **Amount To Be Financed:** \$1,100,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Term</u>	<u>Rate</u>
12 years	4.21%

Payments shall be monthly in arrears, as requested. See the attached amortization schedule(s) for information on payments.

The financing proceeds shall be deposited on behalf of the City in a project fund account with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the City for use on Project costs or interest payments.

The interest rates stated above are valid for a closing not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and upon the condition of the property being acceptable to BB&T. We shall review your most recent financial statements before funding this transaction.

Remuneration for our legal expenses, preparation of documentation and for providing the project fund services for this financing transaction shall be 1/5 of 1% of amount financed. All applicable taxes, permits, costs of lawyers for the City and any other costs shall be the City's responsibility and separately payable by the City. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the City expects to borrow less than \$10,000,000 in calendar year 2007 and that the financing shall qualify as qualified tax-exempt financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing.

(4) Financing Documents:

It shall be the responsibility of the City to retain and compensate counsel to appropriately structure the the City of Hurricane Water Revenue Bonds, Series 2007 A, to West Virginia statutes. BB&T shall also require the Commission to provide an unqualified counsel opinion. BB&T reserves the right to review the bond, and it must be mutually accepted by BB&T and the City.

* * * * *

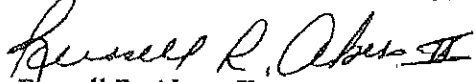
BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the City of its election to do so (whether or not this offer has previously been accepted by the City if at any time prior to the closing there is a material adverse change in the City's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the City or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (304) 353-1635 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY


Russell R. Akers, II
Assistant Vice President

Enclosure

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

Compound Period : Monthly

Nominal Annual Rate : 4.210 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	03/01/2007	1,100,000.00	1		
2 Payment	04/01/2007	9,743.37	144	Monthly	03/01/2019

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	03/01/2007				1,100,000.00
1	04/01/2007	9,743.37	3,859.17	5,884.20	1,094,115.80
2	05/01/2007	9,743.37	3,838.52	5,904.85	1,088,210.95
3	06/01/2007	9,743.37	3,817.81	5,925.56	1,082,285.39
2007 Totals		29,230.11	11,515.50	17,714.61	
4	07/01/2007	9,743.37	3,797.02	5,946.35	1,076,339.04
5	08/01/2007	9,743.37	3,776.16	5,967.21	1,070,371.83
6	09/01/2007	9,743.37	3,755.22	5,988.15	1,064,383.68
7	10/01/2007	9,743.37	3,734.21	6,009.16	1,058,374.52
8	11/01/2007	9,743.37	3,713.13	6,030.24	1,052,344.28
9	12/01/2007	9,743.37	3,691.97	6,051.40	1,046,292.88
10	01/01/2008	9,743.37	3,670.74	6,072.63	1,040,220.25
11	02/01/2008	9,743.37	3,649.44	6,093.93	1,034,126.32
12	03/01/2008	9,743.37	3,628.06	6,115.31	1,028,011.01
13	04/01/2008	9,743.37	3,606.61	6,136.76	1,021,874.25
14	05/01/2008	9,743.37	3,585.08	6,158.29	1,015,715.96
15	06/01/2008	9,743.37	3,563.47	6,179.90	1,009,536.06
2008 Totals		116,920.44	44,171.11	72,749.33	
16	07/01/2008	9,743.37	3,541.79	6,201.58	1,003,334.48
17	08/01/2008	9,743.37	3,520.03	6,223.34	997,111.14
18	09/01/2008	9,743.37	3,498.20	6,245.17	990,865.97
19	10/01/2008	9,743.37	3,476.29	6,267.08	984,598.89
20	11/01/2008	9,743.37	3,454.30	6,289.07	978,309.82
21	12/01/2008	9,743.37	3,432.24	6,311.13	971,998.69
22	01/01/2009	9,743.37	3,410.10	6,333.27	965,665.42
23	02/01/2009	9,743.37	3,387.88	6,355.49	959,309.93
24	03/01/2009	9,743.37	3,365.58	6,377.79	952,932.14
25	04/01/2009	9,743.37	3,343.20	6,400.17	946,531.97
26	05/01/2009	9,743.37	3,320.75	6,422.62	940,109.35
27	06/01/2009	9,743.37	3,298.22	6,445.15	933,664.20
2009 Totals		116,920.44	41,048.58	75,871.86	
28	07/01/2009	9,743.37	3,275.61	6,467.76	927,196.44

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

	Date	Payment	Interest	Principal	Balance
29	08/01/2009	9,743.37	3,252.91	6,490.46	920,705.98
30	09/01/2009	9,743.37	3,230.14	6,513.23	914,192.75
31	10/01/2009	9,743.37	3,207.29	6,536.08	907,656.67
32	11/01/2009	9,743.37	3,184.36	6,559.01	901,097.66
33	12/01/2009	9,743.37	3,161.35	6,582.02	894,515.64
34	01/01/2010	9,743.37	3,138.26	6,605.11	887,910.53
35	02/01/2010	9,743.37	3,115.09	6,628.28	881,282.25
36	03/01/2010	9,743.37	3,091.83	6,651.54	874,630.71
37	04/01/2010	9,743.37	3,068.50	6,674.87	867,955.84
38	05/01/2010	9,743.37	3,045.08	6,698.29	861,257.55
39	06/01/2010	9,743.37	3,021.58	6,721.79	854,535.76
2010 Totals		116,920.44	37,792.00	79,128.44	
40	07/01/2010	9,743.37	2,998.00	6,745.37	847,790.39
41	08/01/2010	9,743.37	2,974.33	6,769.04	841,021.35
42	09/01/2010	9,743.37	2,950.58	6,792.79	834,228.56
43	10/01/2010	9,743.37	2,926.75	6,816.62	827,411.94
44	11/01/2010	9,743.37	2,902.84	6,840.53	820,571.41
45	12/01/2010	9,743.37	2,878.84	6,864.53	813,706.88
46	01/01/2011	9,743.37	2,854.75	6,888.62	806,818.26
47	02/01/2011	9,743.37	2,830.59	6,912.78	799,905.48
48	03/01/2011	9,743.37	2,806.34	6,937.03	792,968.45
49	04/01/2011	9,743.37	2,782.00	6,961.37	786,007.08
50	05/01/2011	9,743.37	2,757.57	6,985.80	779,021.28
51	06/01/2011	9,743.37	2,733.07	7,010.30	772,010.98
2011 Totals		116,920.44	34,395.66	82,524.78	
52	07/01/2011	9,743.37	2,708.47	7,034.90	764,976.08
53	08/01/2011	9,743.37	2,683.79	7,059.58	757,916.50
54	09/01/2011	9,743.37	2,659.02	7,084.35	750,832.15
55	10/01/2011	9,743.37	2,634.17	7,109.20	743,722.95
56	11/01/2011	9,743.37	2,609.23	7,134.14	736,588.81
57	12/01/2011	9,743.37	2,584.20	7,159.17	729,429.64
58	01/01/2012	9,743.37	2,559.08	7,184.29	722,245.35
59	02/01/2012	9,743.37	2,533.88	7,209.49	715,035.86
60	03/01/2012	9,743.37	2,508.58	7,234.79	707,801.07
61	04/01/2012	9,743.37	2,483.20	7,260.17	700,540.90
62	05/01/2012	9,743.37	2,457.73	7,285.64	693,255.26
63	06/01/2012	9,743.37	2,432.17	7,311.20	685,944.06
2012 Totals		116,920.44	30,853.52	86,066.92	
64	07/01/2012	9,743.37	2,406.52	7,336.85	678,607.21
65	08/01/2012	9,743.37	2,380.78	7,362.59	671,244.62
66	09/01/2012	9,743.37	2,354.95	7,388.42	663,856.20
67	10/01/2012	9,743.37	2,329.03	7,414.34	656,441.86
68	11/01/2012	9,743.37	2,303.02	7,440.35	649,001.51
69	12/01/2012	9,743.37	2,276.91	7,466.46	641,535.05
70	01/01/2013	9,743.37	2,250.72	7,492.65	634,042.40

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

Date	Payment	Interest	Principal	Balance
71 02/01/2013	9,743.37	2,224.43	7,518.94	626,523.46
72 03/01/2013	9,743.37	2,198.05	7,545.32	618,978.14
73 04/01/2013	9,743.37	2,171.58	7,571.79	611,406.35
74 05/01/2013	9,743.37	2,145.02	7,598.35	603,808.00
75 06/01/2013	9,743.37	2,118.36	7,625.01	596,182.99
2013 Totals	116,920.44	27,159.37	89,761.07	
76 07/01/2013	9,743.37	2,091.61	7,651.76	588,531.23
77 08/01/2013	9,743.37	2,064.76	7,678.61	580,852.62
78 09/01/2013	9,743.37	2,037.82	7,705.55	573,147.07
79 10/01/2013	9,743.37	2,010.79	7,732.58	565,414.49
80 11/01/2013	9,743.37	1,983.66	7,759.71	557,654.78
81 12/01/2013	9,743.37	1,956.44	7,786.93	549,867.85
82 01/01/2014	9,743.37	1,929.12	7,814.25	542,053.60
83 02/01/2014	9,743.37	1,901.70	7,841.67	534,211.93
84 03/01/2014	9,743.37	1,874.19	7,869.18	526,342.75
85 04/01/2014	9,743.37	1,846.59	7,896.78	518,445.97
86 05/01/2014	9,743.37	1,818.88	7,924.49	510,521.48
87 06/01/2014	9,743.37	1,791.08	7,952.29	502,569.19
2014 Totals	116,920.44	23,306.64	93,613.80	
88 07/01/2014	9,743.37	1,763.18	7,980.19	494,589.00
89 08/01/2014	9,743.37	1,735.18	8,008.19	486,580.81
90 09/01/2014	9,743.37	1,707.09	8,036.28	478,544.53
91 10/01/2014	9,743.37	1,678.89	8,064.48	470,480.05
92 11/01/2014	9,743.37	1,650.60	8,092.77	462,387.28
93 12/01/2014	9,743.37	1,622.21	8,121.16	454,266.12
94 01/01/2015	9,743.37	1,593.72	8,149.65	446,116.47
95 02/01/2015	9,743.37	1,565.13	8,178.24	437,938.23
96 03/01/2015	9,743.37	1,536.43	8,206.94	429,731.29
97 04/01/2015	9,743.37	1,507.64	8,235.73	421,495.56
98 05/01/2015	9,743.37	1,478.75	8,264.62	413,230.94
99 06/01/2015	9,743.37	1,449.75	8,293.62	404,937.32
2015 Totals	116,920.44	19,288.57	97,631.87	
100 07/01/2015	9,743.37	1,420.66	8,322.71	396,614.61
101 08/01/2015	9,743.37	1,391.46	8,351.91	388,262.70
102 09/01/2015	9,743.37	1,362.15	8,381.22	379,881.48
103 10/01/2015	9,743.37	1,332.75	8,410.62	371,470.86
104 11/01/2015	9,743.37	1,303.24	8,440.13	363,030.73
105 12/01/2015	9,743.37	1,273.63	8,469.74	354,560.99
106 01/01/2016	9,743.37	1,243.92	8,499.45	346,061.54
107 02/01/2016	9,743.37	1,214.10	8,529.27	337,532.27
108 03/01/2016	9,743.37	1,184.18	8,559.19	328,973.08
109 04/01/2016	9,743.37	1,154.15	8,589.22	320,383.86
110 05/01/2016	9,743.37	1,124.01	8,619.36	311,764.50
111 06/01/2016	9,743.37	1,093.77	8,649.60	303,114.90
2016 Totals	116,920.44	15,098.02	101,822.42	

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

	Date	Payment	Interest	Principal	Balance
112	07/01/2016	9,743.37	1,063.43	8,679.94	294,434.96
113	08/01/2016	9,743.37	1,032.98	8,710.39	285,724.57
114	09/01/2016	9,743.37	1,002.42	8,740.95	276,983.62
115	10/01/2016	9,743.37	971.75	8,771.62	268,212.00
116	11/01/2016	9,743.37	940.98	8,802.39	259,409.61
117	12/01/2016	9,743.37	910.10	8,833.27	250,576.34
118	01/01/2017	9,743.37	879.11	8,864.26	241,712.08
119	02/01/2017	9,743.37	848.01	8,895.36	232,816.72
120	03/01/2017	9,743.37	816.80	8,926.57	223,890.15
121	04/01/2017	9,743.37	785.48	8,957.89	214,932.26
122	05/01/2017	9,743.37	754.05	8,989.32	205,942.94
123	06/01/2017	9,743.37	722.52	9,020.85	196,922.09
2017 Totals		116,920.44	10,727.63	106,192.81	
124	07/01/2017	9,743.37	690.87	9,052.50	187,869.59
125	08/01/2017	9,743.37	659.11	9,084.26	178,785.33
126	09/01/2017	9,743.37	627.24	9,116.13	169,669.20
127	10/01/2017	9,743.37	595.26	9,148.11	160,521.09
128	11/01/2017	9,743.37	563.16	9,180.21	151,340.88
129	12/01/2017	9,743.37	530.95	9,212.42	142,128.46
130	01/01/2018	9,743.37	498.63	9,244.74	132,883.72
131	02/01/2018	9,743.37	466.20	9,277.17	123,606.55
132	03/01/2018	9,743.37	433.65	9,309.72	114,296.83
133	04/01/2018	9,743.37	400.99	9,342.38	104,954.45
134	05/01/2018	9,743.37	368.22	9,375.15	95,579.30
135	06/01/2018	9,743.37	335.32	9,408.05	86,171.25
2018 Totals		116,920.44	6,169.60	110,750.84	
136	07/01/2018	9,743.37	302.32	9,441.05	76,730.20
137	08/01/2018	9,743.37	269.20	9,474.17	67,256.03
138	09/01/2018	9,743.37	235.96	9,507.41	57,748.62
139	10/01/2018	9,743.37	202.60	9,540.77	48,207.85
140	11/01/2018	9,743.37	169.13	9,574.24	38,633.61
141	12/01/2018	9,743.37	135.54	9,607.83	29,025.78
142	01/01/2019	9,743.37	101.83	9,641.54	19,384.24
143	02/01/2019	9,743.37	68.01	9,675.36	9,708.88
144	03/01/2019	9,743.37	34.49	9,708.88	0.00
2019 Totals		87,690.33	1,519.08	86,171.25	
Grand Totals		1,403,045.28	303,045.28	1,100,000.00	

February 22, 2007

Raymond Peak
Mayor
City of Hurricane
3255 Teays Valley Road
Hurricane, WV 25526

FILE COPY

Governmental Finance

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1653
Fax (304) 340-4702

Dear Mr. Peak:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the City of Hurricane ("City").

- (1) **Project:** Water Revenue Bonds, Series 2007 A
- (2) **Amount To Be Financed:** \$1,250,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Term</u>	<u>Rate</u>
10 years	4.19%
15 years	4.24%

Payments shall be monthly in arrears, as requested. See the attached amortization schedule(s) for information on payments.

The financing proceeds shall be deposited on behalf of the City in a project fund account with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the City for use on Project costs or interest payments.

The interest rates stated above are valid for a closing not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and upon the condition of the property being acceptable to BB&T. We shall review your most recent financial statements before funding this transaction.

Remuneration for our legal expenses, preparation of documentation and for providing the project fund services for this financing transaction shall be 1/5 of 1% of amount financed. All applicable taxes, permits, costs of lawyers for the City and any other costs shall be the City's responsibility and separately payable by the City. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the City expects to borrow less than \$10,000,000 in calendar year 2007 and that the financing shall qualify as qualified tax-exempt financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing.

(4) Financing Documents:

It shall be the responsibility of the City to retain and compensate counsel to appropriately structure the the City of Hurricane Water Revenue Bonds, Series 2007 A, to West Virginia statutes. BB&T shall also require the Commission to provide an unqualified counsel opinion. BB&T reserves the right to review the bond, and it must be mutually accepted by BB&T and the City.

* * * * *

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the City of its election to do so (whether or not this offer has previously been accepted by the City if at any time prior to the closing there is a material adverse change in the City's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the City or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (304) 353-1635 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Russell R. Akers, II
Assistant Vice President

Enclosure

City of Hurricane, West Virginia - Water Revenue Bond
Ten (10) Years

Compound Period : Monthly

Nominal Annual Rate : 4.190 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	02/22/2007	1,250,000.00	1		
2 Payment	03/22/2007	12,768.82	120	Monthly	02/22/2017

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	02/22/2007				1,250,000.00
1	03/22/2007	12,768.82	4,364.58	8,404.24	1,241,595.76
2	04/22/2007	12,768.82	4,335.24	8,433.58	1,233,162.18
3	05/22/2007	12,768.82	4,305.79	8,463.03	1,224,699.15
4	06/22/2007	12,768.82	4,276.24	8,492.58	1,216,206.57
2007 Totals		51,075.28	17,281.85	33,793.43	
5	07/22/2007	12,768.82	4,246.59	8,522.23	1,207,684.34
6	08/22/2007	12,768.82	4,216.83	8,551.99	1,199,132.35
7	09/22/2007	12,768.82	4,186.97	8,581.85	1,190,550.50
8	10/22/2007	12,768.82	4,157.01	8,611.81	1,181,938.69
9	11/22/2007	12,768.82	4,126.94	8,641.88	1,173,296.81
10	12/22/2007	12,768.82	4,096.76	8,672.06	1,164,624.75
11	01/22/2008	12,768.82	4,066.48	8,702.34	1,155,922.41
12	02/22/2008	12,768.82	4,036.10	8,732.72	1,147,189.69
13	03/22/2008	12,768.82	4,005.60	8,763.22	1,138,426.47
14	04/22/2008	12,768.82	3,975.01	8,793.81	1,129,632.66
15	05/22/2008	12,768.82	3,944.30	8,824.52	1,120,808.14
16	06/22/2008	12,768.82	3,913.49	8,855.33	1,111,952.81
2008 Totals		153,225.84	48,972.08	104,253.76	
17	07/22/2008	12,768.82	3,882.57	8,886.25	1,103,066.56
18	08/22/2008	12,768.82	3,851.54	8,917.28	1,094,149.28
19	09/22/2008	12,768.82	3,820.40	8,948.42	1,085,200.86
20	10/22/2008	12,768.82	3,789.16	8,979.66	1,076,221.20
21	11/22/2008	12,768.82	3,757.81	9,011.01	1,067,210.19
22	12/22/2008	12,768.82	3,726.34	9,042.48	1,058,167.71
23	01/22/2009	12,768.82	3,694.77	9,074.05	1,049,093.66
24	02/22/2009	12,768.82	3,663.09	9,105.73	1,039,987.93
25	03/22/2009	12,768.82	3,631.29	9,137.53	1,030,850.40
26	04/22/2009	12,768.82	3,599.39	9,169.43	1,021,680.97
27	05/22/2009	12,768.82	3,567.37	9,201.45	1,012,479.52
28	06/22/2009	12,768.82	3,535.24	9,233.58	1,003,245.94
2009 Totals		153,225.84	44,518.97	108,706.87	

City of Hurricane, West Virginia - Water Revenue Bond
Ten (10) Years

	Date	Payment	Interest	Principal	Balance
29	07/22/2009	12,768.82	3,503.00	9,265.82	993,980.12
30	08/22/2009	12,768.82	3,470.65	9,298.17	984,681.95
31	09/22/2009	12,768.82	3,438.18	9,330.64	975,351.31
32	10/22/2009	12,768.82	3,405.60	9,363.22	965,988.09
33	11/22/2009	12,768.82	3,372.91	9,395.91	956,592.18
34	12/22/2009	12,768.82	3,340.10	9,428.72	947,163.46
35	01/22/2010	12,768.82	3,307.18	9,461.64	937,701.82
36	02/22/2010	12,768.82	3,274.14	9,494.68	928,207.14
37	03/22/2010	12,768.82	3,240.99	9,527.83	918,679.31
38	04/22/2010	12,768.82	3,207.72	9,561.10	909,118.21
39	05/22/2010	12,768.82	3,174.34	9,594.48	899,523.73
40	06/22/2010	12,768.82	3,140.84	9,627.98	889,895.75
2010 Totals		153,225.84	39,875.65	113,350.19	
41	07/22/2010	12,768.82	3,107.22	9,661.60	880,234.15
42	08/22/2010	12,768.82	3,073.48	9,695.34	870,538.81
43	09/22/2010	12,768.82	3,039.63	9,729.19	860,809.62
44	10/22/2010	12,768.82	3,005.66	9,763.16	851,046.46
45	11/22/2010	12,768.82	2,971.57	9,797.25	841,249.21
46	12/22/2010	12,768.82	2,937.36	9,831.46	831,417.75
47	01/22/2011	12,768.82	2,903.03	9,865.79	821,551.96
48	02/22/2011	12,768.82	2,868.59	9,900.23	811,651.73
49	03/22/2011	12,768.82	2,834.02	9,934.80	801,716.93
50	04/22/2011	12,768.82	2,799.33	9,969.49	791,747.44
51	05/22/2011	12,768.82	2,764.52	10,004.30	781,743.14
52	06/22/2011	12,768.82	2,729.59	10,039.23	771,703.91
2011 Totals		153,225.84	35,034.00	118,191.84	
53	07/22/2011	12,768.82	2,694.53	10,074.29	761,629.62
54	08/22/2011	12,768.82	2,659.36	10,109.46	751,520.16
55	09/22/2011	12,768.82	2,624.06	10,144.76	741,375.40
56	10/22/2011	12,768.82	2,588.64	10,180.18	731,195.22
57	11/22/2011	12,768.82	2,553.09	10,215.73	720,979.49
58	12/22/2011	12,768.82	2,517.42	10,251.40	710,728.09
59	01/22/2012	12,768.82	2,481.63	10,287.19	700,440.90
60	02/22/2012	12,768.82	2,445.71	10,323.11	690,117.79
61	03/22/2012	12,768.82	2,409.66	10,359.16	679,758.63
62	04/22/2012	12,768.82	2,373.49	10,395.33	669,363.30
63	05/22/2012	12,768.82	2,337.19	10,431.63	658,931.67
64	06/22/2012	12,768.82	2,300.77	10,468.05	648,463.62
2012 Totals		153,225.84	29,985.55	123,240.29	
65	07/22/2012	12,768.82	2,264.22	10,504.60	637,959.02
66	08/22/2012	12,768.82	2,227.54	10,541.28	627,417.74
67	09/22/2012	12,768.82	2,190.73	10,578.09	616,839.65
68	10/22/2012	12,768.82	2,153.80	10,615.02	606,224.63
69	11/22/2012	12,768.82	2,116.73	10,652.09	595,572.54
70	12/22/2012	12,768.82	2,079.54	10,689.28	584,883.26

City of Hurricane, West Virginia - Water Revenue Bond
Ten (10) Years

	Date	Payment	Interest	Principal	Balance
71	01/22/2013	12,768.82	2,042.22	10,726.60	574,156.66
72	02/22/2013	12,768.82	2,004.76	10,764.06	563,392.60
73	03/22/2013	12,768.82	1,967.18	10,801.64	552,590.96
74	04/22/2013	12,768.82	1,929.46	10,839.36	541,751.60
75	05/22/2013	12,768.82	1,891.62	10,877.20	530,874.40
76	06/22/2013	12,768.82	1,853.64	10,915.18	519,959.22
2013 Totals		153,225.84	24,721.44	128,504.40	
77	07/22/2013	12,768.82	1,815.52	10,953.30	509,005.92
78	08/22/2013	12,768.82	1,777.28	10,991.54	498,014.38
79	09/22/2013	12,768.82	1,738.90	11,029.92	486,984.46
80	10/22/2013	12,768.82	1,700.39	11,068.43	475,916.03
81	11/22/2013	12,768.82	1,661.74	11,107.08	464,808.95
82	12/22/2013	12,768.82	1,622.96	11,145.86	453,663.09
83	01/22/2014	12,768.82	1,584.04	11,184.78	442,478.31
84	02/22/2014	12,768.82	1,544.99	11,223.83	431,254.48
85	03/22/2014	12,768.82	1,505.80	11,263.02	419,991.46
86	04/22/2014	12,768.82	1,466.47	11,302.35	408,689.11
87	05/22/2014	12,768.82	1,427.01	11,341.81	397,347.30
88	06/22/2014	12,768.82	1,387.40	11,381.42	385,965.88
2014 Totals		153,225.84	19,232.50	133,993.34	
89	07/22/2014	12,768.82	1,347.66	11,421.16	374,544.72
90	08/22/2014	12,768.82	1,307.79	11,461.03	363,083.69
91	09/22/2014	12,768.82	1,267.77	11,501.05	351,582.64
92	10/22/2014	12,768.82	1,227.61	11,541.21	340,041.43
93	11/22/2014	12,768.82	1,187.31	11,581.51	328,459.92
94	12/22/2014	12,768.82	1,146.87	11,621.95	316,837.97
95	01/22/2015	12,768.82	1,106.29	11,662.53	305,175.44
96	02/22/2015	12,768.82	1,065.57	11,703.25	293,472.19
97	03/22/2015	12,768.82	1,024.71	11,744.11	281,728.08
98	04/22/2015	12,768.82	983.70	11,785.12	269,942.96
99	05/22/2015	12,768.82	942.55	11,826.27	258,116.69
100	06/22/2015	12,768.82	901.26	11,867.56	246,249.13
2015 Totals		153,225.84	13,509.09	139,716.75	
101	07/22/2015	12,768.82	859.82	11,909.00	234,340.13
102	08/22/2015	12,768.82	818.24	11,950.58	222,389.55
103	09/22/2015	12,768.82	776.51	11,992.31	210,397.24
104	10/22/2015	12,768.82	734.64	12,034.18	198,363.06
105	11/22/2015	12,768.82	692.62	12,076.20	186,286.86
106	12/22/2015	12,768.82	650.45	12,118.37	174,168.49
107	01/22/2016	12,768.82	608.14	12,160.68	162,007.81
108	02/22/2016	12,768.82	565.68	12,203.14	149,804.67
109	03/22/2016	12,768.82	523.07	12,245.75	137,558.92
110	04/22/2016	12,768.82	480.31	12,288.51	125,270.41
111	05/22/2016	12,768.82	437.40	12,331.42	112,938.99
112	06/22/2016	12,768.82	394.35	12,374.47	100,564.52

City of Hurricane, West Virginia - Water Revenue Bond
Ten (10) Years

Date	Payment	Interest	Principal	Balance
2016 Totals	153,225.84	7,541.23	145,684.61	
113 07/22/2016	12,768.82	351.14	12,417.68	88,146.84
114 08/22/2016	12,768.82	307.78	12,461.04	75,685.80
115 09/22/2016	12,768.82	264.27	12,504.55	63,181.25
116 10/22/2016	12,768.82	220.61	12,548.21	50,633.04
117 11/22/2016	12,768.82	176.79	12,592.03	38,041.01
118 12/22/2016	12,768.82	132.83	12,635.99	25,405.02
119 01/22/2017	12,768.82	88.71	12,680.11	12,724.91
120 02/22/2017	12,768.82	43.91	12,724.91	0.00
2017 Totals	102,150.56	1,586.04	100,564.52	
Grand Totals	1,532,258.40	282,258.40	1,250,000.00	

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

Compound Period : Monthly

Nominal Annual Rate : 4.240 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	02/22/2007	1,250,000.00	1		
2 Payment	03/22/2007	9,397.15	180	Monthly	02/22/2022

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	02/22/2007				1,250,000.00
1	03/22/2007	9,397.15	4,416.67	4,980.48	1,245,019.52
2	04/22/2007	9,397.15	4,399.07	4,998.08	1,240,021.44
3	05/22/2007	9,397.15	4,381.41	5,015.74	1,235,005.70
4	06/22/2007	9,397.15	4,363.69	5,033.46	1,229,972.24
2007 Totals		37,588.60	17,560.84	20,027.76	
5	07/22/2007	9,397.15	4,345.90	5,051.25	1,224,920.99
6	08/22/2007	9,397.15	4,328.05	5,069.10	1,219,851.89
7	09/22/2007	9,397.15	4,310.14	5,087.01	1,214,764.88
8	10/22/2007	9,397.15	4,292.17	5,104.98	1,209,659.90
9	11/22/2007	9,397.15	4,274.13	5,123.02	1,204,536.88
10	12/22/2007	9,397.15	4,256.03	5,141.12	1,199,395.76
11	01/22/2008	9,397.15	4,237.87	5,159.28	1,194,236.48
12	02/22/2008	9,397.15	4,219.64	5,177.51	1,189,058.97
13	03/22/2008	9,397.15	4,201.34	5,195.81	1,183,863.16
14	04/22/2008	9,397.15	4,182.98	5,214.17	1,178,648.99
15	05/22/2008	9,397.15	4,164.56	5,232.59	1,173,416.40
16	06/22/2008	9,397.15	4,146.07	5,251.08	1,168,165.32
2008 Totals		112,765.80	50,958.88	61,806.92	
17	07/22/2008	9,397.15	4,127.52	5,269.63	1,162,895.69
18	08/22/2008	9,397.15	4,108.90	5,288.25	1,157,607.44
19	09/22/2008	9,397.15	4,090.21	5,306.94	1,152,300.50
20	10/22/2008	9,397.15	4,071.46	5,325.69	1,146,974.81
21	11/22/2008	9,397.15	4,052.64	5,344.51	1,141,630.30
22	12/22/2008	9,397.15	4,033.76	5,363.39	1,136,266.91
23	01/22/2009	9,397.15	4,014.81	5,382.34	1,130,884.57
24	02/22/2009	9,397.15	3,995.79	5,401.36	1,125,483.21
25	03/22/2009	9,397.15	3,976.71	5,420.44	1,120,062.77
26	04/22/2009	9,397.15	3,957.56	5,439.59	1,114,623.18
27	05/22/2009	9,397.15	3,938.34	5,458.81	1,109,164.37
28	06/22/2009	9,397.15	3,919.05	5,478.10	1,103,686.27
2009 Totals		112,765.80	48,286.75	64,479.05	

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

	Date	Payment	Interest	Principal	Balance
29	07/22/2009	9,397.15	3,899.69	5,497.46	1,098,188.81
30	08/22/2009	9,397.15	3,880.27	5,516.88	1,092,671.93
31	09/22/2009	9,397.15	3,860.77	5,536.38	1,087,135.55
32	10/22/2009	9,397.15	3,841.21	5,555.94	1,081,579.61
33	11/22/2009	9,397.15	3,821.58	5,575.57	1,076,004.04
34	12/22/2009	9,397.15	3,801.88	5,595.27	1,070,408.77
35	01/22/2010	9,397.15	3,782.11	5,615.04	1,064,793.73
36	02/22/2010	9,397.15	3,762.27	5,634.88	1,059,158.85
37	03/22/2010	9,397.15	3,742.36	5,654.79	1,053,504.06
38	04/22/2010	9,397.15	3,722.38	5,674.77	1,047,829.29
39	05/22/2010	9,397.15	3,702.33	5,694.82	1,042,134.47
40	06/22/2010	9,397.15	3,682.21	5,714.94	1,036,419.53
2010 Totals		112,765.80	45,499.06	67,266.74	
41	07/22/2010	9,397.15	3,662.02	5,735.13	1,030,684.40
42	08/22/2010	9,397.15	3,641.75	5,755.40	1,024,929.00
43	09/22/2010	9,397.15	3,621.42	5,775.73	1,019,153.27
44	10/22/2010	9,397.15	3,601.01	5,796.14	1,013,357.13
45	11/22/2010	9,397.15	3,580.53	5,816.62	1,007,540.51
46	12/22/2010	9,397.15	3,559.98	5,837.17	1,001,703.34
47	01/22/2011	9,397.15	3,539.35	5,857.80	995,845.54
48	02/22/2011	9,397.15	3,518.65	5,878.50	989,967.04
49	03/22/2011	9,397.15	3,497.88	5,899.27	984,067.77
50	04/22/2011	9,397.15	3,477.04	5,920.11	978,147.66
51	05/22/2011	9,397.15	3,456.12	5,941.03	972,206.63
52	06/22/2011	9,397.15	3,435.13	5,962.02	966,244.61
2011 Totals		112,765.80	42,590.88	70,174.92	
53	07/22/2011	9,397.15	3,414.06	5,983.09	960,261.52
54	08/22/2011	9,397.15	3,392.92	6,004.23	954,257.29
55	09/22/2011	9,397.15	3,371.71	6,025.44	948,231.85
56	10/22/2011	9,397.15	3,350.42	6,046.73	942,185.12
57	11/22/2011	9,397.15	3,329.05	6,068.10	936,117.02
58	12/22/2011	9,397.15	3,307.61	6,089.54	930,027.48
59	01/22/2012	9,397.15	3,286.10	6,111.05	923,916.43
60	02/22/2012	9,397.15	3,264.50	6,132.65	917,783.78
61	03/22/2012	9,397.15	3,242.84	6,154.31	911,629.47
62	04/22/2012	9,397.15	3,221.09	6,176.06	905,453.41
63	05/22/2012	9,397.15	3,199.27	6,197.88	899,255.53
64	06/22/2012	9,397.15	3,177.37	6,219.78	893,035.75
2012 Totals		112,765.80	39,556.94	73,208.86	
65	07/22/2012	9,397.15	3,155.39	6,241.76	886,793.99
66	08/22/2012	9,397.15	3,133.34	6,263.81	880,530.18
67	09/22/2012	9,397.15	3,111.21	6,285.94	874,244.24
68	10/22/2012	9,397.15	3,089.00	6,308.15	867,936.09
69	11/22/2012	9,397.15	3,066.71	6,330.44	861,605.65
70	12/22/2012	9,397.15	3,044.34	6,352.81	855,252.84

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

	Date	Payment	Interest	Principal	Balance
71	01/22/2013	9,397.15	3,021.89	6,375.26	848,877.58
72	02/22/2013	9,397.15	2,999.37	6,397.78	842,479.80
73	03/22/2013	9,397.15	2,976.76	6,420.39	836,059.41
74	04/22/2013	9,397.15	2,954.08	6,443.07	829,616.34
75	05/22/2013	9,397.15	2,931.31	6,465.84	823,150.50
76	06/22/2013	9,397.15	2,908.47	6,488.68	816,661.82
2013 Totals		112,765.80	36,391.87	76,373.93	
77	07/22/2013	9,397.15	2,885.54	6,511.61	810,150.21
78	08/22/2013	9,397.15	2,862.53	6,534.62	803,615.59
79	09/22/2013	9,397.15	2,839.44	6,557.71	797,057.88
80	10/22/2013	9,397.15	2,816.27	6,580.88	790,477.00
81	11/22/2013	9,397.15	2,793.02	6,604.13	783,872.87
82	12/22/2013	9,397.15	2,769.68	6,627.47	777,245.40
83	01/22/2014	9,397.15	2,746.27	6,650.88	770,594.52
84	02/22/2014	9,397.15	2,722.77	6,674.38	763,920.14
85	03/22/2014	9,397.15	2,699.18	6,697.97	757,222.17
86	04/22/2014	9,397.15	2,675.52	6,721.63	750,500.54
87	05/22/2014	9,397.15	2,651.77	6,745.38	743,755.16
88	06/22/2014	9,397.15	2,627.93	6,769.22	736,985.94
2014 Totals		112,765.80	33,089.92	79,675.88	
89	07/22/2014	9,397.15	2,604.02	6,793.13	730,192.81
90	08/22/2014	9,397.15	2,580.01	6,817.14	723,375.67
91	09/22/2014	9,397.15	2,555.93	6,841.22	716,534.45
92	10/22/2014	9,397.15	2,531.76	6,865.39	709,669.06
93	11/22/2014	9,397.15	2,507.50	6,889.65	702,779.41
94	12/22/2014	9,397.15	2,483.15	6,914.00	695,865.41
95	01/22/2015	9,397.15	2,458.72	6,938.43	688,926.98
96	02/22/2015	9,397.15	2,434.21	6,962.94	681,964.04
97	03/22/2015	9,397.15	2,409.61	6,987.54	674,976.50
98	04/22/2015	9,397.15	2,384.92	7,012.23	667,964.27
99	05/22/2015	9,397.15	2,360.14	7,037.01	660,927.26
100	06/22/2015	9,397.15	2,335.28	7,061.87	653,865.39
2015 Totals		112,765.80	29,645.25	83,120.55	
101	07/22/2015	9,397.15	2,310.32	7,086.83	646,778.56
102	08/22/2015	9,397.15	2,285.28	7,111.87	639,666.69
103	09/22/2015	9,397.15	2,260.16	7,136.99	632,529.70
104	10/22/2015	9,397.15	2,234.94	7,162.21	625,367.49
105	11/22/2015	9,397.15	2,209.63	7,187.52	618,179.97
106	12/22/2015	9,397.15	2,184.24	7,212.91	610,967.06
107	01/22/2016	9,397.15	2,158.75	7,238.40	603,728.66
108	02/22/2016	9,397.15	2,133.17	7,263.98	596,464.68
109	03/22/2016	9,397.15	2,107.51	7,289.64	589,175.04
110	04/22/2016	9,397.15	2,081.75	7,315.40	581,859.64
111	05/22/2016	9,397.15	2,055.90	7,341.25	574,518.39
112	06/22/2016	9,397.15	2,029.96	7,367.19	567,151.20

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

Date	Payment	Interest	Principal	Balance
2016 Totals	112,765.80	26,051.61	86,714.19	
113 07/22/2016	9,397.15	2,003.93	7,393.22	559,757.98
114 08/22/2016	9,397.15	1,977.81	7,419.34	552,338.64
115 09/22/2016	9,397.15	1,951.60	7,445.55	544,893.09
116 10/22/2016	9,397.15	1,925.29	7,471.86	537,421.23
117 11/22/2016	9,397.15	1,898.89	7,498.26	529,922.97
118 12/22/2016	9,397.15	1,872.39	7,524.76	522,398.21
119 01/22/2017	9,397.15	1,845.81	7,551.34	514,846.87
120 02/22/2017	9,397.15	1,819.13	7,578.02	507,268.85
121 03/22/2017	9,397.15	1,792.35	7,604.80	499,664.05
122 04/22/2017	9,397.15	1,765.48	7,631.67	492,032.38
123 05/22/2017	9,397.15	1,738.51	7,658.64	484,373.74
124 06/22/2017	9,397.15	1,711.45	7,685.70	476,688.04
2017 Totals	112,765.80	22,302.64	90,463.16	
125 07/22/2017	9,397.15	1,684.30	7,712.85	468,975.19
126 08/22/2017	9,397.15	1,657.05	7,740.10	461,235.09
127 09/22/2017	9,397.15	1,629.70	7,767.45	453,467.64
128 10/22/2017	9,397.15	1,602.25	7,794.90	445,672.74
129 11/22/2017	9,397.15	1,574.71	7,822.44	437,850.30
130 12/22/2017	9,397.15	1,547.07	7,850.08	430,000.22
131 01/22/2018	9,397.15	1,519.33	7,877.82	422,122.40
132 02/22/2018	9,397.15	1,491.50	7,905.65	414,216.75
133 03/22/2018	9,397.15	1,463.57	7,933.58	406,283.17
134 04/22/2018	9,397.15	1,435.53	7,961.62	398,321.55
135 05/22/2018	9,397.15	1,407.40	7,989.75	390,331.80
136 06/22/2018	9,397.15	1,379.17	8,017.98	382,313.82
2018 Totals	112,765.80	18,391.58	94,374.22	
137 07/22/2018	9,397.15	1,350.84	8,046.31	374,267.51
138 08/22/2018	9,397.15	1,322.41	8,074.74	366,192.77
139 09/22/2018	9,397.15	1,293.88	8,103.27	358,089.50
140 10/22/2018	9,397.15	1,265.25	8,131.90	349,957.60
141 11/22/2018	9,397.15	1,236.52	8,160.63	341,796.97
142 12/22/2018	9,397.15	1,207.68	8,189.47	333,607.50
143 01/22/2019	9,397.15	1,178.75	8,218.40	325,389.10
144 02/22/2019	9,397.15	1,149.71	8,247.44	317,141.66
145 03/22/2019	9,397.15	1,120.57	8,276.58	308,865.08
146 04/22/2019	9,397.15	1,091.32	8,305.83	300,559.25
147 05/22/2019	9,397.15	1,061.98	8,335.17	292,224.08
148 06/22/2019	9,397.15	1,032.53	8,364.62	283,859.46
2019 Totals	112,765.80	14,311.44	98,454.36	
149 07/22/2019	9,397.15	1,002.97	8,394.18	275,465.28
150 08/22/2019	9,397.15	973.31	8,423.84	267,041.44
151 09/22/2019	9,397.15	943.55	8,453.60	258,587.84
152 10/22/2019	9,397.15	913.68	8,483.47	250,104.37

City of Hurricane, West Virginia - Water Revenue Bond
Fifteen (15) Years

	Date	Payment	Interest	Principal	Balance
153	11/22/2019	9,397.15	883.70	8,513.45	241,590.92
154	12/22/2019	9,397.15	853.62	8,543.53	233,047.39
155	01/22/2020	9,397.15	823.43	8,573.72	224,473.67
156	02/22/2020	9,397.15	793.14	8,604.01	215,869.66
157	03/22/2020	9,397.15	762.74	8,634.41	207,235.25
158	04/22/2020	9,397.15	732.23	8,664.92	198,570.33
159	05/22/2020	9,397.15	701.62	8,695.53	189,874.80
160	06/22/2020	9,397.15	670.89	8,726.26	181,148.54
2020 Totals		112,765.80	10,054.88	102,710.92	
161	07/22/2020	9,397.15	640.06	8,757.09	172,391.45
162	08/22/2020	9,397.15	609.12	8,788.03	163,603.42
163	09/22/2020	9,397.15	578.07	8,819.08	154,784.34
164	10/22/2020	9,397.15	546.90	8,850.25	145,934.09
165	11/22/2020	9,397.15	515.63	8,881.52	137,052.57
166	12/22/2020	9,397.15	484.25	8,912.90	128,139.67
167	01/22/2021	9,397.15	452.76	8,944.39	119,195.28
168	02/22/2021	9,397.15	421.16	8,975.99	110,219.29
169	03/22/2021	9,397.15	389.44	9,007.71	101,211.58
170	04/22/2021	9,397.15	357.61	9,039.54	92,172.04
171	05/22/2021	9,397.15	325.67	9,071.48	83,100.56
172	06/22/2021	9,397.15	293.62	9,103.53	73,997.03
2021 Totals		112,765.80	5,614.29	107,151.51	
173	07/22/2021	9,397.15	261.46	9,135.69	64,861.34
174	08/22/2021	9,397.15	229.18	9,167.97	55,693.37
175	09/22/2021	9,397.15	196.78	9,200.37	46,493.00
176	10/22/2021	9,397.15	164.28	9,232.87	37,260.13
177	11/22/2021	9,397.15	131.65	9,265.50	27,994.63
178	12/22/2021	9,397.15	98.91	9,298.24	18,696.39
179	01/22/2022	9,397.15	66.06	9,331.09	9,365.30
180	02/22/2022	9,397.15	31.85	9,365.30	0.00
2022 Totals		75,177.20	1,180.17	73,997.03	
Grand Totals		1,691,487.00	441,487.00	1,250,000.00	

Governmental Finance

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1653
Fax (304) 340-4702

May 31, 2007

City of Hurricane
Water Refunding Revenue Bonds, Series 2007 A

City of Hurricane
Hurricane, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned Russell R. Akers, II, Assistant Vice President of Branch Banking and Trust Company, Charlotte, North Carolina (the "Purchaser"), on behalf of the Purchaser in connection with its purchase of \$1,880,000 aggregate principal amount of the Water Refunding Revenue Bonds, Series 2007 A (the "Bonds"), issued by the City of Hurricane (the "Issuer") on the date hereof, hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Bonds.
2. We understand that the entire principal of and interest on the Bonds are payable by the Issuer solely from and secured by a first lien on and pledge of the Gross Revenues of the System, and a statutory mortgage lien upon the System, including without limitation the personal property financing in whole or in part with the proceeds of the Bonds, on a parity with the Issuer's Prior Bonds, all as more fully defined and described in the Ordinance.
3. We understand that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the Issuer or the Bonds is being issued, that the Bonds are unrated, and that in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

4. We acknowledge that during the course of the transaction and prior to the sale of the Bonds, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us.

5. Because of our experience in financial and business matters, we feel that we are qualified to make the inquiry and analysis described in paragraph 3 and to understand fully the documents and information described in paragraph 4.

6. We understand that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We also understand that under the Code, interest on obligations, such as the Bonds, which are not "private activity bonds," are not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes), and which would impose an alternative minimum tax on a portion of the excess of adjusted net book income over pre-book alternative minimum taxable income, could subject part of the interest on the Bonds received by corporations to such corporate alternative minimum tax. Additionally, we understand that for tax years beginning after 1986, interest on the Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code and enacted by the Superfund Revenue Act of 1986, and that for taxable years beginning after 1986, interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to the branch profits tax imposed by the Code.

7. We understand that the Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may be resold only to purchasers who meet the criteria set forth herein and who, as a condition to such purchase, deliver an executed letter substantially in the form hereof to Steptoe & Johnson PLLC, Charleston, West Virginia.

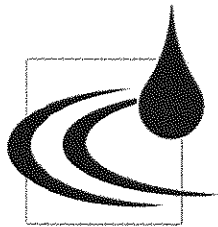
8. We are purchasing the Bonds for investment in our own account and do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

9. We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and we have satisfied ourselves that the Bonds are a lawful investment for us under all applicable laws.

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By: 
Its: Assistant Vice President



WEST VIRGINIA

Water Development Authority

Celebrating 33 Years of Service 1974 - 2007

City of Hurricane
Water Refunding Revenue Bonds, Series 2007 A

CONSENT OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

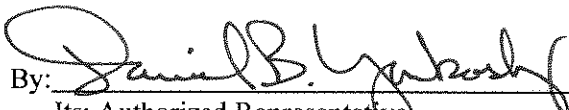
In reliance upon a certificate of Griffith & Associates, an independent certified public accountant, and an opinion of Steptoe & Johnson PLLC, bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the Prior Bonds, hereinafter defined, hereby consents to the issuance of the Water Refunding Revenue Bonds, Series 2007 A (the "Series 2007 A Bonds"), in the original aggregate principal amount of \$1,880,000, by the City of Hurricane (the "Issuer"), under the terms of the ordinance authorizing the Series 2007 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bonds, Series 1994 (the "Prior Bonds").

The Authority hereby also consents to the amendment of Section 5.03(4) of the Prior Bonds Ordinance to remove the following language:

"... a sum equal to 10% of the Gross Revenues each month, until there has been accumulated in the Depreciation Fund the sum of \$24,000."

WITNESS my signature on this 31st day of May, 2007.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

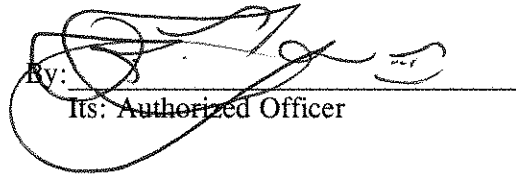
CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

RECEIPT AND RELEASE

JPMORGAN CHASE BANK, N.A. , as holder of the Water Revenue Bonds, Series 2005 A (the "Series 2005 A Bonds"), of the City of Hurricane (the "City"), dated August 24, 2005, issued in the original aggregate principal amount of \$995,000, hereby certifies that it has received from the City a sum which is sufficient to pay the entire principal amount of and interest accrued on the Series 2005 A Bonds, including any redemption premium, to and including May 31, 2007, and discharge the liens, pledges and encumbrances securing the Series 2005 A Bonds.

Dated this 31st day of May, 2007.

JPMORGAN CHASE BANK, N.A.


By: _____
Its: Authorized Officer

05.23.07
435630.00009

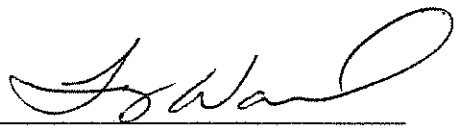
CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

RECEIPT AND RELEASE

UNITED BANK, INC. hereby certifies that it has received from the City of Hurricane (the "City") a sum which is sufficient to pay the entire principal amount of and interest accrued on the City's loan to and including May 31, 2007, and discharge the liens, pledges and encumbrances securing the loan.

Dated this 31st day of May, 2007.

UNITED BANK, INC.

By: 

Its: Authorized Officer

05.23.07
435630.00009

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

RECEIPT AND RELEASE

I, SCOTT GORDON, hereby certifies that it has received from the City of Hurricane (the "City") a sum which is sufficient to pay the entire principal amount of and interest accrued on the City's loan to and including May 31, 2007, and discharge the liens, pledges and encumbrances securing the loan.

Dated this 31st day of May, 2007.



Scott Gordon

05.09.07
435630.00009

CITY OF HURRICANE
WATER REFUNDING REVENUE BONDS, SERIES 2007 A

RECEIPT AND RELEASE

I, ERIC GORDON, hereby certifies that it has received from the City of Hurricane (the "City") a sum which is sufficient to pay the entire principal amount of and interest accrued on the City's loan to and including May 31, 2007, and discharge the liens, pledges and encumbrances securing the loan.

Dated this 31st day of May, 2007.

Eric Gordon, TEE.

05.23.07
435630.00009

CITY OF HURRICANE

Water Revenue Bonds, Series 1994

SUPPLEMENTAL AND AMENDATORY RESOLUTION

SUPPLEMENTAL AND AMENDATORY RESOLUTION
PROVIDING FOR THE AMENDMENT OF SECTION
5.03(4) OF THE SERIES 1994 BOND ORDINANCE OF
THE CITY OF HURRICANE

WHEREAS, the City of Hurricane (the "City") in the County of Putnam, State of West Virginia, is a municipal corporation and political subdivision of said State, the governing body of which is its City Council (the "City Council");

WHEREAS, the City Council has duly and officially enacted an Ordinance on May 2, 1994 (as supplemented, the "Ordinance") authorizing the issuance of the Water Revenue Bonds, Series 1994, dated May 5, 1994 (the "Series 1994 Bonds") through the West Virginia Water Development Authority (the "Bondholder");

WHEREAS, the City Council does hereby wish to amend Section 5.03(4) of the Ordinance to bring it into compliance with the Bondholder's standard requirements;

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

WHEREAS, in the Ordinance, it is provided that a supplemental resolution may be adopted after the issuance of the Series 1994 Bonds, with the consent of the Bondholder thereof, and the City expects to receive such consent;

WHEREAS, the City Council deems it essential and desirable that this supplemental and amendatory resolution (the "Supplemental and Amendatory Resolution") be adopted and that Section 5.03(4) of the Ordinance be revised.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HURRICANE AS FOLLOWS:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental and Amendatory Resolution is adopted, pending receipt of consent from the Bondholder, and Section 5.03(4) is hereby amended as follows:

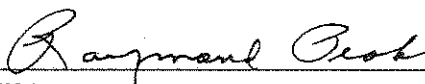
- (4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund, ~~a sum equal to 10% of the Gross Revenues each month, until there has been accumulated in the Depreciation Fund the sum of \$24,000, and thereafter, a sum equal to 21/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account.~~ All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1994 Bonds 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 Depreciation Fund.

Section 2. The City expects to receive the aforementioned consent of the Bondholder on or about May 31, 2007, and the amendment approved herein shall be effective as of the date such consent is received.

Section 3. This Supplemental and Amendatory Resolution shall be effective immediately following adoption hereof.

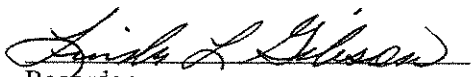
Adopted this 29th day of May, 2007.

[SEAL]



Mayor

ATTEST:



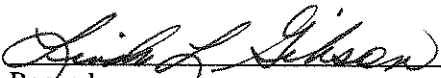
Recorder

CERTIFICATION

Certified a true copy of a Supplemental and Amendatory Resolution duly adopted by the City Council of the City of Hurricane at a special meeting of the City Council held at 6:30 p.m. on May 29, 2007, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated: May 31, 2007.

[SEAL]

By: 
Recorder

05/23/07
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