CITY OF CLARKSBURG

WATER REVENUE BONDS, SERIES 2004 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

DATE OF CLOSING: SEPTEMBER 28, 2004

BOND TRANSCRIPT

STEPTOE & JOHNSON PLLC

Vincent A. Collins, Esquire
1085 Van Voorhis Road
United Center, Suite 400
Morgantown, WV 26505
(304)598-8161
collinva@steptoe-johnson.com

John C. Stump, Esquire
707 Virginia Street, East
Bank One Center, Seventh Floor
Charleston, WV 25326
(304)353-8196
stumpjc@steptoe-johnson.com

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

BOND TRANSCRIPT

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CITY OF CLARKSBURG

WATER REVENUE BONDS, SERIES 2004 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

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CITY OF CLARKSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates through the Clarksburg Water Board (the "Board") a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of the modification of the existing water treatment plant backwash wastewater and clarifier sludge treatment facilities, the construction of a sludge dewatering facility and the installation of sludge feed pump, belt filter press, polymer feed system, belt and screw conveyor system, filtrate pump station and piping, together with all appurtenant facilities (collectively, the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than $2,000,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than $2,000,000 (the "Series 2004 A Bonds"), to be initially represented by a single bond, to permanently finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2004 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2004 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2004 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2004 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Project is not less than 25 years.

E. It is in the best interests of the Issuer that its Series 2004 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority (the "Loan Agreement") as shall be approved by supplemental resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2004 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued as Capital Appreciation Bonds, in the original aggregate principal amount of $1,970,405, pursuant to an ordinance of the Issuer enacted December 17, 1992 (the "Series 1992 Bonds"); (ii) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850, pursuant to an ordinance of the Issuer enacted April 5, 2001 (the "Series 2001 A Bonds"); and (iii) Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002, issued in the original aggregate principal amount of $16,260,000, pursuant to an ordinance of the Issuer enacted May 30, 2002 (the "Series 2002 Bonds") (collectively, the "Prior Bonds").

The Series 2004 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2004 A Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the written consent of the Holders of the Series 2001 A Bonds to the issuance of the Series 2004 A Bonds on a parity with the Series 2001 A Bonds. No written parity consent is required from the Holders of the Series 1992 Bonds and the Series 2002 Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the ordinances authorizing issuance of the Prior Bonds (the "Prior Ordinances").

G. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinances.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2004 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will

either have expired prior to the issuance of the Series 2004 A Bonds or such final order will not be subject to appeal or rehearing.

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

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 2004 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefitting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 2004 A Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2004 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2004 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

"Board" means the Clarksburg Water Board, existing under Section 25 of the Charter of the Issuer and having powers and duties set forth in Section 27 of such Charter.

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

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

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

"Bonds" means, collectively, the Series 2004 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2004 A Bonds for the proceeds representing the purchase price of the Series 2004 A Bonds from the Authority.

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

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02C hereof to be a part of the cost of acquisition and construction of the Project.

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

"Depreciation Fund" means the Depreciation Fund created by the Prior Ordinances and continued hereby.

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

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

"Governing Body" means the council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the 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; and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined), or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means:

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, providing for the purchase of the Series 2004 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2004 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2004 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2004 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less 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, operation and maintenance of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as apart 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.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund created by the Prior Ordinances and continued hereby.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2001 A Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Issuer's (i) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued as Capital Appreciation Bonds, in the original aggregate principal amount of $1,970,405, pursuant to an ordinance of the Issuer enacted December 17, 1992; (ii) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850, pursuant to an ordinance of the Issuer enacted

April 5, 2001; and (iii) Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002, issued in the original aggregate principal amount of $16,260,000, pursuant to an ordinance of the Issuer enacted May 30, 2002.

"Prior Ordinances" means, collectively, the ordinances of the Issuer enacted December 17, 1992, April 5, 2001, and May 30, 2002, as supplemented, authorizing the issuance of the Prior Bonds.

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

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

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

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

(a) Government Obligations;

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 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 gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2004 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2004 A Bonds.

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

"Series 1992 Bonds" means the Waterworks Improvement and Refunding Revenue Bonds, Series 1992, of the Issuer issued as Capital Appreciation Bonds, as described in Section 1.02F hereof.

"Series 2001 A Bonds" means the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer as described in Section 1.02F hereof.

"Series 2002 Bonds" means the Water Refunding Revenue Bonds, Series 2002, of the Issuer as described in Section 1.02F hereof.

"Series 2004 A Bonds" means not more than $2,000,000 in aggregate principal amount of Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 2004 A Bonds Construction Trust Fund" means the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2004 A Bonds Reserve Account" means the Series 2004 A Bonds Reserve Account established pursuant to Section 5.02 hereof.

"Series 2004 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2004 A Bonds in the then current or any succeeding year.

"Series 2004 A Bonds Sinking Fund" means the Series 2004 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2004 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2004 A

Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2004 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks system, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting City Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $2,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2004 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated not to exceed $2,000,000, all of which will be obtained from proceeds of the Series 2004 A Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2004 A Bonds, funding a reserve account for the Series 2004 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2004 A Bonds of the Issuer. The Series 2004 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority)", in the principal amount of not more than $2,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 A Bonds remaining after funding of the Series 2004 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2004 A Bonds, if any, shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2004 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2004 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2004 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2004 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 2004 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2004 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2004 A Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2004 A Bonds shall cease to be such officer of the Issuer before the Series 2004 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2004 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2004 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2004 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2004 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2004 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2004 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2004 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2004 A Bonds or transferring the registered Series 2004 A Bonds are exercised, all Series 2004 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2004 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2004 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2004 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2004 A Bonds or, in the case of any proposed redemption of Series 2004 A Bonds, next preceding the date of the selection of Series 2004 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2004 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2004 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2004 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operations of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2004 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2004 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2004 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2004 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2004 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2004 A Bonds.

Section 3.10. Form of Series 2004 A Bonds. The text of the Series 2004 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATER REVENUE BONDS,
SERIES 2004 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ Dollars ($_____), in annual installments on October 1 of each year, commencing October 1, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefore, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing _____ 1, _____.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated _____, 200__.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2004, and a Supplemental Resolution duly adopted by the Issuer on _____, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (i) WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992, DATED DECEMBER 1, 1992, ISSUED AS CAPITAL APPRECIATION BONDS, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,970,405, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED DECEMBER 17, 1992 (THE "SERIES 1992 BONDS"); (ii) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED APRIL 23, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,383,850, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED APRIL 5, 2001 (THE "SERIES 2001 A BONDS"); AND (iii) WATER REFUNDING REVENUE BONDS, SERIES 2002, DATED JULY 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $16,260,000, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED MAY 30, 2002 (THE "SERIES 2002 BONDS") (COLLECTIVELY, 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 moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2004 A

Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide the Net Revenues equal to not less than the rate coverage required by the Prior Ordinances so long as the Series 1992 Bonds and the Series 2002 Bonds are outstanding, and thereafter sufficient to provide for all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the CITY OF CLARKSBURG 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 City Clerk, and has caused this Bond to be dated _____, 2004.

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2004 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor and/or the City Manager are specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority an amended schedule, the form of which will be provided by the Authority, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinances);

(2) Depreciation Fund (established by the Prior Ordinances);

(3) Operation and Maintenance Fund (established by the Prior Ordinances); and

(4) Series 2004 A Bonds Construction Trust Fund.

Moneys in such Funds and Subaccounts may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

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

(1) Series 1992 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Redemption Account (established by the Prior Ordinances);

(4) Series 2001 A Bonds Sinking Fund (established by the Prior Ordinances);

(5) Within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 2002 Bonds Sinking Fund (established by the Prior Ordinances);

(7) Within the Series 2002 Bonds Sinking Fund, the Series 2002 Bonds Reserve Account (established by the Prior Ordinances);

(8) Within the Series 2002 Bonds Sinking Fund, the Series 2002 Bonds Redemption Account (established by the Prior Ordinances);

(9) Series 2004 A Bonds Sinking Fund; and

(10) Series 2004 A Bonds Reserve Account.

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

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds for the Prior Bonds, the amount required by the Prior Ordinances for payment of interest on the Prior Bonds; and (ii) commencing 7 months prior to the first date of payment of interest on the Series 2004 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2004 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds for the Prior Bonds, and in the Series 1992 Bonds Redemption Account and the Series 2002 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, the amount required by the Prior Ordinances for payment of principal of the Prior Bonds; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and come due on the Series 2004 A Bonds on the next ensuing annual principal payment; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Bond Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay all Operating Expenses of the System.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Reserve Account, the Series 2001 A Bonds Reserve Account, and the Series 2002 Bonds Reserve Account, the amount required by the Prior Ordinances; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2004 A Bonds, if not fully funded upon issuance of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 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 2004 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Depreciation Fund

(as required in the Prior Ordinances and not in addition thereto), an amount equal to not less than 5% of the Gross Revenues each month until the sum of $1,000,000 shall be accumulated therein, so long as the Series 1992 Bonds and Series 2002 Bonds are outstanding, and thereafter, 2 1/2% of said Gross Revenues. 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. Except as otherwise provided in the Prior Ordinances, 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

Moneys in the Series 2004 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall become due. Moneys in the Series 2004 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall come due, when other moneys in the Series 2004 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2004 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2004 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2004 A Bonds Reserve Account which result in a reduction in the balance of the Series 2004 A Bonds Reserve Account to below the Series 2004 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Series 2004 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement

thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2004 A Bonds Sinking Fund or the Series 2004 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2004 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2004 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2004 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the first business day of each month), deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2004 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the relevant provisions of the Prior Ordinances, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2004 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2004 A Bonds, there shall first be deposited with the Commission in the Series 2004 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2004 A Bonds for the period commencing on the date of issuance of the Series 2004 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2004 A Bonds, there shall be deposited with the Commission in the Series 2004 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2004 A Bonds Reserve Account.

C. The remaining moneys derived from the sale of the Series 2004 A Bonds shall be deposited with the Depository Bank in the Series 2004 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 2004 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the moneys therein set forth in the Bond Legislation. Moneys in the Series 2004 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 2004 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2004 A Bonds Construction Trust Fund shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2004 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2004 A Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 2004 A Bonds Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Series 2004 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs of the Project have been paid, the Depository Bank shall transfer any moneys remaining in the Series 2004 A Bonds Construction Trust Fund to the Series 2004 A Bonds Reserve Account, provided that, in no event shall more than 10% of the proceeds from the sale of the Series 2004 A Bonds be deposited in the Series 2004 A Bonds Reserve Account, and when such Reserve Account is fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payment due on the Series 2004 A Bonds and thereafter to the next ensuing principal payment due thereon. The Issuer shall expend all proceeds of the Series 2004 A Bonds within 3 years of the date of issuance of the Authority's Bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2004 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2004 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2004 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2004 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2004 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate resolution of the Board adopted on February 24, 2004, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2004 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take

all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2004 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Board shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Ordinances. Additionally, so long as the Series 2004 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 A Bonds, immediately be remitted to the Commission for deposit in the Series 2004 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Board shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2004 A Bonds. Any balance remaining after the payment of the Series 2004 A Bonds and interest, if any, thereon shall be remitted to the Board by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Board shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and the Governing Body may then, if it be so advised, by resolution duly adopted, authorize such

sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, shall be deposited in the Depreciation Fund. Payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2004 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2004 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2004 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2004 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be

issued after the issuance of the Series 2004 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and without complying with the conditions and requirements herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2004 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 2004 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion required under the Prior Ordinances, so long as the Series 1992 Bonds and the Series 2002 Bonds are outstanding, and thereafter 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 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 on the following:

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

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the

System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) 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 Holders of the 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 of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this 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 Series 2004 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from 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 2004Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts 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 the Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

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

The Issuer or the Board shall permit the Authority or its agents and representatives to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and

commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Board. 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 Issuer as the Governing Body shall direct.

The Issuer or the Board shall file with the Authority, or any other original purchaser of the Series 2004 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2004 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the system outstanding.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, 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 the Series 2004 A Bonds, and shall submit said report to the Authority, or any other original purchaser of the Series 2004 A Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond

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

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2004 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide the Net Revenues equal to not less than the rate coverage required by the Prior Ordinances, so long as the Series 1992 Bonds and the Series 2002 Bonds are outstanding, and thereafter sufficient (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds; provided that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2004 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2004 A Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such

revenues on a parity with the Series 2004 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

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

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

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

shall certify to the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Board, the Issuer, or any department, agency, instrumentality, officer or employee of the Board or the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board or the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall

be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2004 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE, for all employees of or for the System eligible therefor; and performance and payment bonds, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions, or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer or the Board shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer or the Board shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer or the Board shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2004 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2004 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2004 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 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2004 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 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2004 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 2004 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2004 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2004 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer shall timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2004 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Authority or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2004 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2004 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Authority for written approval. The Issuer shall obtain the written approval of the Authority before expending any proceeds of the Series 2004 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the Authority before expending any proceeds of the Series 2004 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2004 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2004 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2004 A Bonds which would cause the Series 2004 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing

of a federal information return with respect to the Series 2004 A Bonds) so that the interest on the Series 2004 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate; Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2004 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2004 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.

In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 2004 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 2004 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 2004 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 2004 A Bonds. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the

Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2004 A Bonds from gross income for federal income tax purposes.

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

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other

exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2004 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2004 A Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2004 A Bonds :

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2004 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2004 A Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2004 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2004 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2004 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2004 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2004 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2004 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2004 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 2004 A Bonds, any Registered Owner of a Series 2004 A Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2004 A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2004 A Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2004 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the

Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2004 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2004 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2004 A Bonds from gross income for federal income tax purposes.

Series 2004 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 2004 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 2004 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 2004 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 2004 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2004 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2004 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2004 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2004 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2004 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2004 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 2004 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2004 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2004 A Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer or the Authority shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301
Attention: General Manager

AUTHORITY:

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

Section 11.06. Conflicting Provisions Repealed. Except for the Prior Ordinances, all orders, resolutions and ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Manager, City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Clarksburg Exponent-Telegram, a newspaper published and of general circulation in the City of Clarksburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2004 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during

office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.09. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Passed on First Reading:	-	August 5, 2004
Passed on Second Reading:	-	August 19, 2004
Passed on Final Reading Following Public Hearing:	-	September 2, 2004

Sam Lopez
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF CLARKSBURG on the 2nd day of September, 2004.

Dated: September 28, 2004.

[SEAL]

Judith M. Wright
City Clerk

09/21/04
155510/00019

EXHIBIT A

Loan Agreement

(See Tab No. 3)

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Clarksburg (the "Issuer") has duly and officially enacted a bond ordinance, effective September 2, 2004 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING,

RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer (the "Series 2004 A Bonds"), in the aggregate principal amount not to exceed $2,000,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2004 A Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,885,764. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2024, and shall bear interest at the rate of 5% per annum, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2005. The Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 2005, and maturing October 1, 2024, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Series 2004 A Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2004 A Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor and/or the City Manager, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

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

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

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Clarksburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2004 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2004 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2004 A Bonds proceeds in the amount of $151,380 shall be deposited in the Series 2004 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2004 A Bonds shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about September 23, 2004, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof 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. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 14. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 2004, being the calendar year in which the

Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Section 15. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Bonds. The Issuer hereby appoints the General Manager of the Clarksburg Water Board as its agent for the review and approval of all future invoices for the Project to be paid from the proceeds of the Bonds.

Section 16. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 9th day of September, 2004.

CITY OF CLARKSBURG

Sam Lopez

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Clarksburg on the 9th day of September, 2004.

Dated: September 28, 2004.

[SEAL]

City Clerk

09/22/04
155510/00019

CL947605.1

WDA-LP II
(03/26/02)

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

CITY OF CLARKSBURG
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a water development project, as defined by the Act, and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a certain general revenue bond resolution adopted by the Board of the Authority (the "General Resolution"), as supplemented, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program, known as Loan Program II (the "Program") as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bonds," "cost," governmental agency," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

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

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

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with a portion of the proceeds of its water development revenue bonds, all in accordance with the provisions of this Loan Agreement.

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

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

1.8 "Project" means the water development project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Governmental Agency in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.9 "System" means the water development project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

The Project and the System

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

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

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

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents and representatives shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the pertinent provisions of the Act.

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

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

2.7 The Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by

the particular contract as security for the faithful performance of such contract and shall verify or shall have verified such bonds prior to commencement of construction.

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and shall verify or shall have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds is outstanding, business interruption insurance if available at a reasonable cost.

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

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

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

(d) No Loan shall be made for the purpose of refinancing any outstanding long-term indebtedness of a Governmental Agency unless an opinion of counsel is received by the Authority to the effect that such refinancing is permitted by the Act and the General Resolution, and that such refinancing will not cause a violation of any covenant, representation or agreement of the Authority contained in the General Resolution or any tax

or arbitrage certificate with respect to the exclusion of the interest on the Authority's water development revenue bonds from gross income of the holders thereof for federal income tax purposes;

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

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

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds

of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority of such irrevocably committed grants.

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans from the Program to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies as in the aggregate will permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the water development revenue bonds issued by it. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless

and until it has available funds sufficient to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available. The Governmental Agency further specifically recognizes that during the last 90 days of a period to originate Loans from its water development revenue bond proceeds, the Authority may execute Loan Agreements, commit moneys and close Local Bond sales in such order and manner as it deems in the best interest of the Program. Additionally, the Governmental Agency recognizes that the Authority will purchase the Local Bonds only with funds from the Program and not with funds from any other loan programs of the Authority.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Authority:

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document, as reflected on the Schedule X attached hereto, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof

(which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety or other security instrument) in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than ten (10) years) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

(iii) That the Governmental Agency shall complete the Project, shall operate and maintain the System in good condition and, to the extent applicable, in compliance with, among other state and federal standards, the water quality standards established by the West Virginia Bureau for Public Health (the "BPH"), the West Virginia Department of Environmental Protection (the "DEP") and the United States Environmental Protection Agency (the "EPA"), shall permit the BPH, the DEP and EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof, and shall, as a condition precedent to the Authority's making the Loan, have obtained, among other permits required, permits from the BPH, the DEP and the EPA, if required;

(iv) That, except as otherwise required by State law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

(vii) That the Governmental Agency will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local

Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency shall not authorize redemption of any Local Bonds by it without the written consent of the Authority and except in compliance with the restrictions contained in this Loan Agreement;

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

(xvii) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's water development revenue bonds;

(xviii) That the Governmental Agency shall provide the Authority with annual financial information and such other information as is necessary for the Authority to meet its ongoing disclosure requirements;

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

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

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

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

(xxiii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiv) That the Governmental Agency shall obtain the written approval of the Authority before expending any proceeds of the Local Bonds available due to bid/construction/project underruns, including the "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer;

(xxv) That the Governmental Agency shall list the funding provided by the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project;

(xxvi) That, to the extent required by law, the Governmental Agency shall secure the approval of the Authority and all other state agencies having jurisdiction before applying for federal assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State of West Virginia;

(xxvii) That, as a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a tax or arbitrage certificate satisfactory to the Authority; and

(xxviii) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received

or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Authority copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the Loan shall be repaid by the Governmental Agency annually on the days and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a semiannual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds until the date of payment thereof, at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include, without limitation, Program expenses, legal

fees paid by the Authority and fees paid to the trustee and paying agents for the water development revenue bonds. The Authority shall provide both the Governmental Agency and the trustee for the water development revenue bonds with a schedule of such fees and charges, and the Governmental Agency shall pay such fees and charges on the dates indicated directly to the trustee. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

4.7 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the Authority's bonds.

4.8 As long as the Authority is the owner of any of the Local Bonds outstanding, the Governmental Agency shall not redeem any of such Local Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the applicable water development revenue bonds, the redemption premium payable on the applicable water development revenue bonds redeemable as a consequence of such redemption of Local Bonds and the costs and expenses of the Authority in effecting any such redemption, all as further prescribed by Section 9.11 of the General Resolution. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding applicable water development revenue bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be

insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

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

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 7 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 At the option of the Authority, the Governmental Agency shall issue and sell to the Authority additional, subordinate bonds to evidence the Governmental Agency's obligation to repay to the Authority any grant received by the Governmental Agency from the Authority in excess of the amount to which the Governmental Agency is entitled pursuant to applicable policies or rules and regulations of the Authority. Also at the option of the Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

6.3 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act or this Loan Agreement.

6.4 The Governmental Agency hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority for the planning or design of the Project, and such repayment shall be a condition precedent to the Authority's making the Loan.

6.5 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Governmental Agency fails to make any such rebates as required, then the Governmental Agency shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.6 Notwithstanding Section 6.5, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

6.7 The Governmental Agency hereby agrees to give the Authority prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.8 The Governmental Agency hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency, if any, may be set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.3 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.4 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.5 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.6 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.7 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.8 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority pursuant to Section 6.3 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

CITY OF CLARKSBURG
[Name of Governmental Agency]

(SEAL)

By: _____
Its: Mayor

Attest:

_____
Its: City Clerk

Date: September 23, 2004

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director

Attest:

_____
Its: Secretary-Treasurer

Date: September 23, 2004

00832/00302
03/26/02

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the

Schedule A attached hereto as Exhibit A and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof,[2] the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule A attached hereto; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

WITNESS my signature and seal on this ____ day of _____, ___.

[SEAL]

_____

By: _____
West Virginia License No. _____

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[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Ladies and Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, ____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, ____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with interest payable semiannually on April 1 and October 1 of each year, commencing _____ 1, ____, at the rate of __% per annum, and with principal payable annually on October 1 of each year, commencing _____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency, enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency, enforceable against the Governmental Agency in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid, legally enforceable and binding special obligations of the Governmental Agency, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____

Name of Bond Issue(s) _____

Type of Project _____ Water _____ Wastewater

Fiscal Year _____ Report Month _____

Item	Current Month	Total Year To Date	Budget Year To Date	Budget Year To Date Minus Total Year To Date
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
Type of Issue				
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development Administration	_____	_____	_____	_____
Other (Identify)				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then$30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

The Governmental Agency must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT D

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Governmental Agency] on [Date].

Sinking Fund:

Interest	$_____
Principal	$_____
Total:	$_____
Reserve Account:	$_____

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $1,885,764
Purchase Price of Local Bonds $1,885,764

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 5% per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Bonds are fully registered in the name of the Authority as to interest and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency:

(1) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued as Capital Appreciations Bonds, in the original principal amount of $1,970,405; (2) Water Revenue Bonds, Series 2001A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original principal amount of $2,383,850; and (3) Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002, issued in the original principal amount of $16,260,000.

SCHEDULE Y

$1,885,764

CITY OF CLARKSBURG

20 Years, 5.0% Interest Rate (WDA Loan Program II)

Closing Date: September 23, 2004

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/01/2004	-	-	-	-
04/01/2005	-	-	49,239.39	49,239.39
10/01/2005	55,095.00	5.000%	47,144.10	102,239.10
04/01/2006	-	-	45,766.73	45,766.73
10/01/2006	59,945.00	5.000%	45,766.73	105,711.73
04/01/2007	-	-	44,268.10	44,268.10
10/01/2007	62,943.00	5.000%	44,268.10	107,211.10
04/01/2008	-	-	42,694.53	42,694.53
10/01/2008	66,090.00	5.000%	42,694.53	108,784.53
04/01/2009	-	-	41,042.28	41,042.28
10/01/2009	69,394.00	5.000%	41,042.28	110,436.28
04/01/2010	-	-	39,307.43	39,307.43
10/01/2010	72,864.00	5.000%	39,307.43	112,171.43
04/01/2011	-	-	37,485.83	37,485.83
10/01/2011	76,507.00	5.000%	37,485.83	113,992.83
04/01/2012	-	-	35,573.15	35,573.15
10/01/2012	80,332.00	5.000%	35,573.15	115,905.15
04/01/2013	-	-	33,564.85	33,564.85
10/01/2013	84,349.00	5.000%	33,564.85	117,913.85
04/01/2014	-	-	31,456.13	31,456.13
10/01/2014	88,566.00	5.000%	31,456.13	120,022.13
04/01/2015	-	-	29,241.98	29,241.98
10/01/2015	92,995.00	5.000%	29,241.98	122,236.98
04/01/2016	-	-	26,917.10	26,917.10
10/01/2016	97,644.00	5.000%	26,917.10	124,561.10
04/01/2017	-	-	24,476.00	24,476.00
10/01/2017	102,527.00	5.000%	24,476.00	127,003.00
04/01/2018	-	-	21,912.83	21,912.83
10/01/2018	107,653.00	5.000%	21,912.83	129,565.83
04/01/2019	-	-	19,221.50	19,221.50
10/01/2019	113,036.00	5.000%	19,221.50	132,257.50
04/01/2020	-	-	16,395.60	16,395.60
10/01/2020	118,688.00	5.000%	16,395.60	135,083.60
04/01/2021	-	-	13,428.40	13,428.40
10/01/2021	124,622.00	5.000%	13,428.40	138,050.40
04/01/2022	-	-	10,312.85	10,312.85
10/01/2022	130,853.00	5.000%	10,312.85	141,165.85
04/01/2023	-	-	7,041.53	7,041.53
10/01/2023	137,396.00	5.000%	7,041.53	144,437.53
04/01/2024	-	-	3,606.63	3,606.63
10/01/2024	144,265.00	5.000%	3,606.63	147,871.63
Total	$1,885,764.00	-	$1,143,810.39	$3,029,574.39

SCHEDULE Z

None.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston on the 21st day of September, 2004.

CASE NO. 04-0420-W-CN
CLARKSBURG WATER BOARD, Clarksburg, Harrison County.
Application for a Certificate of Convenience and Necessity to construct and/or modify the existing water treatment plant, backwash wastewater and clarifier sludge treatment facilities, to construct a sludge dewatering facility, and to install a sludge feed pump, belt filter press, polymer feed system, belt and screw conveyor system, filtrate pump station and piping, at Clarksburg, Harrison County, West Virginia.

COMMISSION ORDER

On September 17, 2004, counsel for Clarksburg Water Board advised that on August 16, 2004, Commission Staff recommended approval of its project, and no objection had been filed to the project. Motion p. 1. Counsel also advised that a closing on the financing was tentatively scheduled for September 23, 2004, and that contractor bids would expire at the end of September, 2004. Id.

Therefore, Clarksburg asked that a Recommended Decision be issued as soon as possible and that the time period to file exceptions to the Recommended Decision be waived. Id. pp. 1-2.

By Recommended Decision entered on September 21, 2004, Clarksburg Water Board was granted a certificate of convenience and necessity to construct and/or modify certain facilities.

West Virginia Code § 24-1-9 provides a time period of at least twenty (20) days from the date of a recommended order until it becomes effective. According to West Virginia Code § 24-1-9(c), at least fifteen (15) days must be afforded the parties within which to file exceptions. In addition, § 24-1-9(e) provides that when no exceptions are filed within the specified time period, the Commission shall have an additional five (5) days within which to stay or postpone the order.

The Commission is therefore of the opinion and belief that said motion of waiver received by the Commission on September 17, 2004, should be granted.

IT IS, THEREFORE, ORDERED that the requested waiver be, and the same hereby is, granted.

IT IS FURTHER ORDERED that the Administrative Law Judge's Recommended Decision in this matter becomes final (5) days after the date of this order.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon Clarksburg Water Board **by facsimile** and upon all parties by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

CLW/sek
040420ca.wpd

040420alj092104.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
9-26-04
Per Commission order waiving exception period

Entered: September 21, 2004

CASE NO. 04-0420-W-CN

CLARKSBURG WATER BOARD
Application for a certificate of convenience and necessity to construct and/or modify the existing water treatment plant at Clarksburg, Harrison County, West Virginia.

RECOMMENDED DECISION

On March 22, 2004, the Clarksburg Water Board (Board) filed a duly verified application for a certificate of convenience and necessity to construct, operate and maintain a facility on its existing property for the purpose of treating and disposing of the sludge generated by the treatment of potable water. The Board estimates that construction will cost approximately $1,549,860, and it proposes to finance the construction, in its entirety, by a loan from the West Virginia Water Development Authority (WVWDA). The interest rate for the loan is expected to be 5.5% for a period of twenty (20) years. The Board anticipates an increase in its rates and charges to fund the proposed construction. The proposed increased rates and charges will produce approximately $416,349 annually in additional revenue, which also represents an increase in rates and charges of approximately 2%.

The Board's certificate application was properly prefiled with the Commission on February 19, 2004.

By Order dated March 22, 2004, the Board was directed to give notice of the filing of its application by publishing a copy of said Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County, making due return to the Commission of proper certification of publication immediately after publication. The Notice directed that anyone desiring to make objection to the application or to intervene in this proceeding must do so, in writing, within thirty (30) days after the date of publication of said Notice. It was further provided that failure to timely protest or intervene could affect one's right to protest, including any associated rate increases, or to participate in future proceedings. The Notice further provided that, if no protests were received within the thirty-day protest period, the Commission could waive formal hearing and grant the application based upon the evidence submitted in the application and the Commission's review thereof.

By Corrective Order dated March 23, 2004, the Commission corrected a typographical error and deleted the sentence "Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing" from the Commission's Notice of Filing Order entered on March 22, 2004.

On April 19, 2004, Staff Attorney C. Terry Owen filed an Initial Joint Staff Memorandum. An Initial Internal Memorandum, dated April 15, 2004, from Joe Gollie, Senior Utilities Analyst, Utilities Division, and Jefferson E. Brady, Staff Engineer, Engineering Division, was attached thereto. Commission Staff reported that the application does not contain a West Virginia Bureau of Public Health permit. Staff recommended that the case be referred to the Division of Administrative Law Judges for further disposition.

On April 21, 2004, the Board filed the West Virginia Office of Environmental Health Services Permit, which grants approval to modify the existing wastewater-recycle basins into four (4) basins and to add a new sludge dewatering building with a sludge belt filter press and all necessary piping, valves, chemical feed equipment pumps, controls and appurtenances at the existing Clarksburg Water Board water treatment plant.

By Commission Referral Order dated April 28, 2004, this proceeding was referred to the Division of Administrative Law Judges for a decision to be rendered on or before October 18, 2004.

On May 25, 2004, the Board filed an affidavit of publication from the Clarksburg Exponent-Telegram, a newspaper published and generally circulated in Harrison County, reflecting publication of the Notice of Filing on April 8, 2004. The Board also filed a statement that it had provided notice by certified mail, return receipt requested, to all municipalities and PSDs purchasing water for resale from the Board and had also mailed a "Notice of Filing" to all customers accompanying all bills mailed for a thirty-day period. No written protests have been filed.

On June 25, 2004, Staff Attorney Owen filed the Final Joint Staff Memorandum, to which was attached the Final Internal Memorandum, dated June 8, 2004, prepared by Mr. Brady. Mr. Brady reported that, although the Board will not add any new customers as a result of the project, the project will benefit all existing customers by ensuring a cost-effective method of sludge handling. The estimated cost per customer is $185.00.[1] Mr. Brady opined that the cost of $185.00 per customer is very acceptable. Mr. Brady also opined that the increased operation and maintenance cost of $49,320, an increase of approximately 1.5%, is also acceptable. Mr. Brady concluded that the project was both necessary and convenient.

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[1]The $185.00 per customer cost is calculated by dividing the $1,550,000 cost of the project by 8,400 customers.

Although the Board originally planned to dispose of solids through the Clarksburg sanitary sewer for transport and treatment and discharge of supernatant from the gravity settling process to the West Fork River, the Clarksburg Sanitary Board notified the Board that it was unable to permit discharge of the solids into the sewage collection system. This resulted in the Board having to handle its solids through operation of a portable belt filter press or transport of liquid sludge to a lagoon or to the wastewater treatment plant for dewatering and disposal. In 2000, the West Virginia Department of Environmental Protection (WVDEP) notified the Board about a sediment build up in the West Fork River. The Board then had to increase the number of times that sludge was removed from the basins, thus reducing the cost-effectiveness of the disposal of the solids. Mr. Brady stated that the project is convenient because it will provide a long-term cost-effective method of sludge handling.

Staff recommended that the Board be granted a Certificate of Convenience and Necessity to construct the sludge handling project. Additionally Staff recommended the following: (a) the Board must seek Commission approval of any changes in the scope of the project, including bids which exceed the estimated construction costs, and submit supporting engineering and financial data; (b) the Board must submit a copy of the engineer's certified tabulation of the bids within ten (10) days of the bid opening date for each construction or vendor contract awarded; and (c) the Board's engineer should submit a copy of the certificate of substantial completion when available.

By Order dated July 1, 2004, the Board was given ten (10) days from the date of the Order in which to object to any recommendation made by Staff in the Final Joint Staff Memorandum. If no timely written objection was filed, Staff's recommendations might be adopted without hearing.

On July 1, 2004, Staff Attorney Owen filed the Second Final Joint Staff Memorandum which reiterated the June 25, 2004 Staff recommendations that: (1) the certificate of convenience and necessity be granted; (2) if any changes to the scope or cost of the project occur, the Board be required to reopen the proceeding for approval of those changes; (3) the Board be required to provide the Commission with a copy of the engineer's certified tabulation of bids within ten (10) days of the bid opening date for each construction contract or vendor bid contract; and (4) the project engineer provide the Commission with a copy of the certificate of substantial completion when available. Additionally, Mr. Owen reported that Commission Staff found that the utility's current cash flow is adequate to service the increased debt service associated with the project. Mr. Owen further reported that the Board's new water rate increase ordinance, which became effective in April 2004, will generate an additional $416,349 annually and will produce *pro forma* debt service coverage of 126%. Attached to the Second Final Joint Staff Memorandum was the May 27, 2004 Final Internal Memorandum, prepared by David Pauley, Utilities Analyst II, Utilities Division. Mr. Pauley reported that the $416,349 increase in revenues represents an approximate seven percent (7%) increase. Mr. Pauley stated that Staff recommends approval of the certificate.

On July 6, 2004, the Board filed the results of the bids for the sludge treatment project.

On July 8, 2004, the Board filed a letter indicating that it had reviewed the June 25, 2004 Staff Memorandum and did not object to the Staff's recommendations. The Board also stated in its July 8, 2004 letter that it had submitted the tabulation of the bids to the Commission.

On July 12, 2004, the Board filed correspondence related to the bids for the project. In a letter attached to the filing dated July 8, 2004, from Michael D. Hritz, P.E., Project Manager, to Mr. Richard Welch, General Manager for the Board, Mr. Hritz stated that the bids for the sludge handling project were opened and read aloud at the Board's offices on Thursday, July 1, 2004. Mr. Hritz wrote that four (4) bids were received and the apparent lowest bid was submitted by Ameritcom, Inc., in the amount of $1,473,000.00. Mr. Hritz represented that the base bid was $96,000, or approximately seven (7) percent, over the original budget estimate for the project, with the increase in price attributed to recent changes in material costs and the time delay between preparation of the estimate and the actual bidding. Dan L. Adkins, Director of Finance for the Board, wrote in a July 12, 2004 letter, which was also attached to the filing, that he believed the project was still feasible and could be financed with the Board's current rate structure.

By Order dated July 23, 2004, Commission Staff was required to file, by Friday, August 6, 2004, a Staff recommendation, which either confirms the Board's belief that the project is still feasible under the existing funding and rates or provides information that the project is no longer feasible at the current funding and rates.

On August 3, 2004, Staff Attorney Owen filed the Third Final Joint Staff Memorandum, to which was attached the August 2, 2004 Further Final Internal Memorandum, prepared by Mr. Pauley. Mr. Pauley reported that, after project bids were opened, construction costs were $198,000 more than the original estimate. Mr. Pauley opined that the project is still feasible and the WVWDA will commit to the increase in the amount of required funds. Mr. Pauley also reported that the annual debt service requirement will increase by $10,000 annually. Staff's Revised Cash Flow Analysis demonstrates that revenues are sufficient to cover the debt service requirements and provide coverage of 125%. Mr. Pauley stated that Staff recommends approval of the certificate.

On August 16, 2004, Staff Attorney Owen filed the Fourth Final Joint Staff Memorandum, to which was attached the August 4, 2004 Further Final Internal Memorandum, prepared by Mr. Brady. Mr. Brady reported that the applicant had notified the Commission that bids were $96,000, over the engineer's estimate for construction resulting in a 7% increase, or $1,646,000 total project cost. Mr. Brady reported that the estimated project cost per customer is now $195, which he opined is still a very acceptable amount. Mr. Brady stated that Technical Staff reaffirmed all previous recommendations.

On September 20, 2004, Staff Attorney Owen filed the Fifth Final Joint Staff Memorandum, to which was attached the September 20, 2004

Joint Staff Further Final Internal Memorandum, prepared by Mr. Pauley and Mr. Brady. Mr. Owen reported that there was an inconsistency in Staff's Third and Fourth Final Joint Staff Memoranda filed on August 3, 2004 and August 16, 2004, respectively. The Fifth Final Joint Staff Memorandum was filed to supercede the Third and Fourth Final Joint Staff Memoranda. Mr. Owen reported that the Fifth Final Joint Staff Memorandum's attached exhibits document the correct total project costs, the availability of financing for the costs in excess of the original estimate, the funding agency's financing commitment, the terms of the financing and the Board's waiver of its right to file objections to the Staff's memorandum. Mr. Owen recommended that this matter be given expedited treatment, since the Board has a debt closing scheduled for Tuesday, September 28, 2004.

Mr. Brady and Mr. Pauley reported that the purpose of their memorandum was to explain and clarify the project's final costs. The construction cost, technical services, administrative fees and contingencies total $1,707,284, an increase of $157,284 over the original request of $1,550,000. The total size of the bond issue will be $1,885,764 to include a fully funded reserve account and payment for bond counsel and accounting fees. The $1,885,764 figure was used by Mr. Pauley to calculate the debt service requirement on Statement H in Mr. Pauley's August 2, 2004 memorandum.

Mr. Brady and Mr. Pauley opined that the project is still feasible, since the funding source has committed to the increased loan amount and the cash flow analysis remains unchanged. Coverage is sufficient at 125% and the revised project cost is $203 per customer.

Attached to the memorandum was a letter from the West Virginia Water Development Authority dated September 20, 2004, which stated that it will loan the City of Clarksburg $1,885,764 to assist in financing its wastewater system improvement project at an approximate interest rate of 5.0%.

Also attached to the memorandum was a letter from Dan L. Adkins, Director of Finance for the Clarksburg Water Board, which stated that the Board is in agreement with the memorandum and will not file an objection to it. This letter was also separately filed with the Commission on September 20, 2004.

Upon consideration of all of the above, the undersigned Administrative Law Judge is of the opinion that the requested certificate of convenience and necessity should be granted to the Clarksburg Water Board, with the Staff-recommended provisions that any changes in the plans, scope or financing of the project shall require a reopening of the certificate case for adjustments and approval and the Board must notify the Commission when the Board's engineer has performed the substantial completion inspection.

FINDINGS OF FACT

1. On February 19, 2004, the Clarksburg Water Board filed a Notice of Intent to file a formal application for a certificate of convenience and necessity to construct and/or modify the existing water treatment

plant at Clarksburg, Harrison County, West Virginia. (See, February 19, 2004 filing).

2. On March 22, 2004, the Board filed its duly verified application for a certificate of convenience and necessity to construct, operate and maintain a facility on its existing property for the purpose of treating and disposing of the sludge generated by the treatment of potable water at a cost of approximately $1,549,860, to be financed entirely by a loan from the West Virginia Water Development Authority (WVWDA). (See, application filed March 22, 2004).

3. The Board demonstrated proper publication of its Notice of Filing, on April 8, 2004, in The Clarksburg Exponent-Telegram, a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County, West Virginia, all as required by the Commission's rules. No letters of protest were received. (See, affidavit of publication filed May 25, 2004; case file generally).

4. The project is needed to ensure a long-term, cost-effective method of sludge handling and to eliminate sediment build up in the West Fork River. (See, Final Internal Memorandum dated June 8, 2004, attached to Final Joint Staff Memorandum dated June 25, 2004).

5. Commission Staff supports the project, because it shows necessity and is convenient. Staff recommended that the Board's application for a certificate of convenience and necessity be approved subject to the Board being required to seek permission from the Commission before proceeding with the project, if there are any changes in the scope of the project or the increase in financing; the Board being required to provide the Commission with a copy of the engineer's certified tabulation of bids within ten (10) days of the bid opening date for each construction or vendor bid contract; and the Board being required to notify the Commission when its engineer has performed the substantial completion inspection. (See, Fifth Final Joint Staff Memorandum filed September 20, 2004; Fourth Final Joint Staff Memorandum filed August 16, 2004; Third Final Joint Staff Memorandum filed August 3, 2004; Second Final Joint Staff Memorandum filed July 1, 2004; and Final Joint Staff Memorandum filed June 25, 2004, and attachments).

6. The project is expected to cost approximately $1,707,284, or approximately $203.00 per customer, and will be financed by a West Virginia Water Development Authority loan. A 2004 commitment letter offers the Board approximately $1,885,764 at an estimated interest rate of 5%. The term of the loan is for twenty (20) years. The Board's existing rates, adopted by ordinance and effective April 2004, will provide approximately $416,349 annually in increased revenue. Staff's cash flow analysis shows that the Board's revenues are sufficient to cover the debt service requirements and provide debt service coverage of 125%. Operation and maintenance expenses are expected to increase by $49,320 due to the project. (See, March 22, 2004 filing; and Fifth Final Joint Staff Memorandum dated September 20, 2004; Fourth Final Joint Staff Memorandum filed August 16, 2004; Third Final Joint Staff Memorandum filed August 3, 2004; Initial Joint Staff Memorandum filed April 19, 2004; and Final Joint Staff Memorandum filed June 25, 2004, and attachments).

7. The Board has received a copy of Staff's recommendations and agrees with the recommendations and will not object. (See, September 20, 2004 filing).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the project for which the Clarksburg Water Board has filed the application herein in order to construct improvements to the existing water treatment plant.

2. The proposed financing is reasonable and should be approved. The project is economically feasible and fully funded, since the Board has a letter of commitment from the West Virginia Water Development Authority for a loan which covers the cost of the project, including the increased construction costs. The current rates, which have been reviewed by Commission Staff, are sufficient to cover the necessary costs associated with the project.

3. The Board should be required to seek Commission approval should the project's scope or the proposed financing change for any reason.

4. It is reasonable to adopt the remaining recommendations set forth by Commission Staff in its Final, Second, Third, Fourth and Fifth Joint Staff Memoranda filed respectively June 25, 2004, July 1, 2004, August 3, 2004, August 16, 2004 and September 20, 2004, since the Board has not and will not object to any of Staff's recommendations.

5. The Board gave proper notice of the filing of its certificate application, to which no letters of protest were filed. Accordingly, no formal hearing is necessary for this certificate application.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the Clarksburg Water Board filed on March 22, 2004, for a certificate of convenience and necessity to construct improvements to its existing water treatment plant, be, and hereby is, granted.

IT IS FURTHER ORDERED that the Clarksburg Water Board's proposed financing for the project, consisting of a West Virginia Water Development Authority loan of approximately $1,885,764 for twenty (20) years, at an estimated annual interest rate of 5%, is hereby approved.

IT IS FURTHER ORDERED that, should the scope or financing of the project change for any reason, the Clarksburg Water Board is hereby required to seek Commission approval before commencing construction.

IT IS FURTHER ORDERED that the Clarksburg Water Board request a copy of its final engineering report, affixed with the stamp of the registered professional engineer, certifying that the contents of the report are the findings of that engineer and correct as presented, and file that stamped report with the Public Service Commission.

IT IS FURTHER ORDERED that this proceeding be, and hereby is, removed from the Commission's docket of open cases.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Deborah Yost VanDervort
Administrative Law Judge

DYV:bam
040420ab.wpd

West Virginia Infrastructure & Jobs Development Counc

Public Members:
Mark Prince, Chairman
Hurricane
Dwight Calhoun, Vice Chairman
Petersburg
C. R. "Rennie" Hill, III
Beckley
Timothy Stranko
Morgantown

300 Summers Street, Suite
Charleston, West Virginia 25
Telephone: (304) 558-4
Facsimile: (304) 558-4

Katy Mallory,
Executive Secreta

Katy.Mallory@verizon.net

March 3, 2004

Richard D. Welch, Manager
Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301

Re: City of Clarksburg Water Board
Water Project 2004W-784

Dear Mr. Welch:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Clarksburg Water Board's (the "City") preliminary application regarding its proposed project to modify the existing water treatment plant backwash wastewater and clarifier sludge treatment facilities; construct sludge dewatering facility; and install a sludge feed pump, belt filter press, polymer feed system, belt and screw conveyor system, filtrate pump station and piping (the "Project").

Based on the findings of the Water Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Water Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of preliminary application, the Infrastructure Council recommends that the City pursue a $1,549,860 Water Development Authority loan and/or private source to fund this project. Please contact the Water Development Authority office at 558-3612 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,

Mark Prince

Enclosure
cc: Walt Ivey, BPH (w/o enclosure)
Bernie Yonkosky, WDA (w/o enclosure)
Region VI Planning & Development Council
Gannett Fleming, Inc.

RECEIVED
MAR 8 2004
RICHARD D. WELCH

5

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 28th day of September, 2004, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Clarksburg (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer, in the principal amount of $1,885,764, numbered AR-1 (the "Series 2004 A Bonds"), issued as a single, fully registered Bond, and dated September 28, 2004.

2. At the time of such receipt, all the Series 2004 A Bonds had been executed by the Mayor, the City Manager and the City Clerk of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2004 A Bonds, of the sum of $ 1,885,764, being the entire principal amount of the Series 2004 A Bonds (100% of par value), there being no interest accrued thereon.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B Meadows
Authorized Representative

CITY OF CLARKSBURG

Sam Lopey
Mayor

09/21/04
155510/00019

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 28th day of September, 2004:

(1) Bond No. AR-1, constituting the entire original issue of the City of Clarksburg Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), in the principal amount of $1,885,764, dated September 28, 2004 (the "Series 2004 A Bonds"), executed by the Mayor, City Manager and City Clerk of the City of Clarksburg (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on September 2, 2004, and a Supplemental Resolution duly adopted by the Issuer on September 9, 2004 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the City Clerk of the Issuer;

(3) Executed counterparts of a loan agreement for the Series 2004 A Bonds, dated September 23, 2004, by and between the Issuer and the West Virginia Water Development Authority (the "Loan Agreement"); and

(4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Series 2004 A Bonds to the Authority upon payment to the Issuer of the sum of $1,885,764, representing the agreed purchase price of the Bonds, there being no accrued interest thereon. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

CITY OF CLARKSBURG

Sam Lopez

Mayor

09/21/04
155510/00019

CL953133.1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATER REVENUE BONDS,
SERIES 2004 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR- 1 $1,885,764

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION EIGHT HUNDRED EIGHTY FIVE THOUSAND SEVEN HUNDRED SIXTY FOUR DOLLARS ($1,885,764), in annual installments on October 1 of each year, commencing October 1, 2005, as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefore, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing April 1, 2005.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated September 23, 2004.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions,

additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 2, 2004, and a Supplemental Resolution duly adopted by the Issuer on September 9, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (i) WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992, DATED DECEMBER 1, 1992, ISSUED AS CAPITAL APPRECIATION BONDS, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,970,405, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED DECEMBER 17, 1992 (THE "SERIES 1992 BONDS"); (ii) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED APRIL 23, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,383,850, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED APRIL 5, 2001 (THE "SERIES 2001 A BONDS"); AND (iii) WATER REFUNDING REVENUE BONDS, SERIES 2002, DATED JULY 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $16,260,000, PURSUANT TO AN ORDINANCE OF THE ISSUER ENACTED MAY 30, 2002 (THE "SERIES 2002 BONDS") (COLLECTIVELY, 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 moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2004 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide the Net Revenues equal to not less than the rate coverage required by the Prior Ordinances so long as the Series 1992 Bonds and the Series 2002 Bonds are outstanding, and thereafter sufficient to provide for all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds,

an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF CLARKSBURG 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 City Clerk, and has caused this Bond to be dated September 28, 2004.

[SEAL]

Sam Lopez
Mayor

Fran L Tom
City Manager

SPECIMEN

ATTEST:

Annette M. Wright
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 28, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

SPECIMEN

EXHIBIT A

DEBT SERVICE SCHEDULE

$1,885,764
20 Years, 5.0% Interest Rate (WDA Loan Program II)
Closing Date:
September 28, 2004

Date	Principal	Coupon	Interest	Total P+I
10/01/2004	-	-	-	-
04/01/2005	-	-	47,929.84	47,929.84
10/01/2005	56,305.00	5.000%	47,144.10	103,449.10
04/01/2006	-	-	45,736.48	45,736.48
10/01/2006	59,906.00	5.000%	45,736.48	105,642.48
04/01/2007	-	-	44,238.83	44,238.83
10/01/2007	62,901.00	5.000%	44,238.83	107,139.83
04/01/2008	-	-	42,666.30	42,666.30
10/01/2008	66,046.00	5.000%	42,666.30	108,712.30
04/01/2009	-	-	41,015.15	41,015.15
10/01/2009	69,348.00	5.000%	41,015.15	110,363.15
04/01/2010	-	-	39,281.45	39,281.45
10/01/2010	72,816.00	5.000%	39,281.45	112,097.45
04/01/2011	-	-	37,461.05	37,461.05
10/01/2011	76,456.00	5.000%	37,461.05	113,917.05
04/01/2012	-	-	35,549.65	35,549.65
10/01/2012	80,279.00	5.000%	35,549.65	115,828.65
04/01/2013	-	-	33,542.68	33,542.68
10/01/2013	84,293.00	5.000%	33,542.68	117,835.68
04/01/2014	-	-	31,435.35	31,435.35
10/01/2014	88,508.00	5.000%	31,435.35	119,943.35
04/01/2015	-	-	29,222.65	29,222.65
10/01/2015	92,933.00	5.000%	29,222.65	122,155.65
04/01/2016	-	-	26,899.33	26,899.33
10/01/2016	97,580.00	5.000%	26,899.33	124,479.33
04/01/2017	-	-	24,459.83	24,459.83
10/01/2017	102,459.00	5.000%	24,459.83	126,918.83
04/01/2018	-	-	21,898.35	21,898.35
10/01/2018	107,582.00	5.000%	21,898.35	129,480.35
04/01/2019	-	-	19,208.80	19,208.80
10/01/2019	112,961.00	5.000%	19,208.80	132,169.80
04/01/2020	-	-	16,384.78	16,384.78
10/01/2020	118,609.00	5.000%	16,384.78	134,993.78
04/01/2021	-	-	13,419.55	13,419.55
10/01/2021	124,540.00	5.000%	13,419.55	137,959.55
04/01/2022	-	-	10,306.05	10,306.05
10/01/2022	130,767.00	5.000%	10,306.05	141,073.05
04/01/2023	-	-	7,036.88	7,036.88
10/01/2023	137,305.00	5.000%	7,036.88	144,341.88
04/01/2024	-	-	3,604.25	3,604.25
10/01/2024	144,170.00	5.000%	3,604.25	147,774.25
Total	**$1,885,764.00**	**-**	**$1,141,808.76**	**$3,027,572.76**

CL953064.1

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

_____

the within Bond and does hereby irrevocably constitute and appoint

_____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

SPECIMEN

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

September 28, 2004

City of Clarksburg
Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

City of Clarksburg
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Clarksburg (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $1,885,764 Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated September 23, 2004, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, commencing April 1, 2005, at the rate of 5.0% per annum, and with principal installments payable on October 1 of each year, commencing October 1, 2005, and maturing October 1, 2024, all as set forth in the"Schedule Y"attached to the Loan Agreement and incorporated in and made a part of the Bonds.

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 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to

TERRALEX

the existing public waterworks system of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on September 2, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 9, 2004 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

Based upon the foregoing, and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

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

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (i) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued as Capital Appreciation Bonds, in the original aggregate principal amount of $1,970,405, pursuant to an ordinance of the Issuer enacted December 17, 1992 (the "Series 1992 Bonds"); (ii) Water

Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850, pursuant to an ordinance of the Issuer enacted April 5, 2001 (the "Series 2001 A Bonds"); and (iii) Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002, issued in the original aggregate principal amount of $16,260,000, pursuant to an ordinance of the Issuer enacted May 30, 2002 (the "Series 2002 Bonds") (collectively, the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Based upon the certifications of the Issuer set forth in the Certificate as to Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Bonds.

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

We have examined the executed and authenticated Bond numbered AR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

09/21/04
155510/00019

LAW OFFICES OF
YOUNG MORGAN & CANN, PLLC
SUITE ONE, SCHROATH BUILDING
229 WASHINGTON AVE.
CLARKSBURG, WEST VIRGINIA 26301
(304) 624-5687
FAX (304) 624-4006

ROGER J. MORGAN
CARMINE J. CANN
JAMES V. CANN
GREGORY A. MORGAN

JAMES CANN (1970)
LLOYD H. YOUNG (1978)

September 28, 2004

City of Clarksburg
Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

City of Clarksburg
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

We are counsel to the City of Clarksburg, a municipal corporation in Harrison County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated September 23, 2004, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), the Bond Ordinance duly enacted by the Issuer on September 2, 2004, as supplemented by the Supplemental Resolution duly adopted by the Issuer on September 9, 2004 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project and to enact the Bond Legislation, all under the Act and other applicable provisions of law, and the Mayor, City Manager, City Clerk and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities. The power to operate and maintain the System has been conferred by the City Charter to the Clarksburg Water Board (the ABoard@).

2. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

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

5. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Gross Revenues therefor.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

YOUNG, MORGAN & CANN PLLC

09/23/04
155510.00019

CL953142.1

Law Offices
of
John Lee DePolo
Attorney at Law

Mailing Address:
P.O. Box 4610
Bridgeport, WV 26330

Telephone: (304) 842-3535 • Facsimile: (304) 842-5998
Toll Free: 1-888-622-4422

Physical Address:
929 West Main Street (Rt. 50)
Bridgeport, WV 26330

September 28 2004

City of Clarksburg
Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

City of Clarksburg
Clarksburg, West Virginia

Clarksburg Water Board
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

I am counsel to the Clarksburg Water Board (the "Board"), a municipal water board existing under Section 25 of the Charter (the "Charter") of the City of Clarksburg, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the opinion of Young Morgan & Cann PLLC, as counsel to the Issuer, a loan agreement dated September 23, 2004, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), the Bond Ordinance duly enacted by the Issuer on September 2, 2004, as supplemented by the Supplemental Resolution duly adopted by the Issuer on September 9, 2004, and the approving Resolution adopted by the Board on August 10, 2004 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Board is an independent board of the Issuer, duly established and validly existing under the laws of the State of West Virginia pursuant to the Charter, and the members and officers of the Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Board in their respective capacities.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and the Board and is in full force and effect.

3. The Loan Agreement has been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer and the Board enforceable in accordance with its terms.

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

5. The Board has received the permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Bureau for Public Health, the West Virginia Infrastructure and Jobs Development Council, and the Public Service Commission of West Virginia and has taken any other action required for the imposition of such rates and charges. The Issuer and the Board have received the Order of the Public Service Commission of West Virginia entered September 21, 2004, in Case No. 04-0420-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Order has not expired prior to the date hereof.

6. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or in any way questioning or affecting the existence of the Board, the organization of the Board, or the titles of the officers and members of the Board to their respective offices, or contesting the powers or authority of the Board or the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Gross Revenues therefor.

7. The successful bidder has made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

JOHN L. DEPOLO, ESQUIRE

LAW OFFICES
KAUFFELT & KAUFFELT
300 CAPITOL STREET STE 903
CHARLESTON, WEST VIRGINIA 25301
(304) 345-1272

MAILING ADDRESS
P.O. BOX 3082
CHARLESTON, WV 25331-3082
FAX (304) 345-1280

ELT
LT

September 28, 2004

f Clarksburg
sburg, West Virginia

sburg Water Board
sburg, West Virginia

Virginia Water Development Authority
leston, West Virginia

oe & Johnson PLLC
csburg, West Virginia

Re: City of Clarksburg
Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

es and Gentlemen:

We are special counsel to the Clarksburg Water Board (the "Board"). As such counsel, have represented the Board before the Public Service Commission of West Virginia in nection with the issuance of the above-referenced bonds (the "Bonds") by the City of rksburg (the "Issuer").

We are of the opinion that the Issuer and the Board have received the Recommended sion and the Commission Order of the Public Service Commission of West Virginia entered September 21, 2004 in Case No. 04-0420-W-CN, granting to the Issuer and the Board a ificate of public convenience and necessity for the Project and approving the financing for Project. The time for reconsideration or appeal of such Orders has not expired prior to the e hereof. However, the parties to such Orders have stated they did not intend to seek onsideration of the Orders from the Public Service Commission or appeal such Orders to the preme Court of Appeals of West Virginia. See attached. Such Orders are not subject to peal by anyone not a party thereto. See *W. Va. Code* § 24-5-1.

KAUFFELT & KAUFFELT

: Clarksburg
burg Water Board
/irginia Water Development Authority
e & Johnson PLLC
nber 28, 2004
:wo

All counsel to this transaction may rely upon this opinion as if specifically addressed to

Very truly yours,

Mark E. Kauffelt

/vmc

ervice Commission
General Counsel

reet, P.O. Box 812
est Virginia 25323

Phone: (304) 340-031
FAX: (304) 340-037

September 24, 2004

k E. Kauffelt, Esq.
ffelt & Kauffelt
. Box 3082
rleston, West Virginia 25331-3082

Re: Case No. 04-0420-W-CN
Clarksburg Water Board

ar Mr. Kauffelt:

The Recommended Decision was issued in this case on September 21, 2004. You ve informed me that the bond closing for this project is scheduled for September 28, 04. The closing will occur before either the expiration of the time for exceptions, ition for reconsideration, rehearing or reargument before the Commission, odification of the Order by the Commission, or appeal to the Supreme Court of Appeals West Virginia. See the Commission's *Rules of Practice and Procedure*, Rules 19.1, .3 and 19.4, 150 C.S.R. 1 and *West Virginia Code*, Chapter 24, Article 5, Section 1. ou have indicated that bond counsel has requested an assurance from the Commission's aff that it does not intend to pursue any of these procedural avenues.

The Commission's Staff does not intend to file exceptions or petition for consideration, rehearing, reargument or modification of the September 21, 2004 ecommended Decision. Rule 25.2(a)(1) of the Commission's *Rules of Practice and rocedure* provides that the Commission's Staff "shall not be authorized to appeal ommission decisions to the Courts." 150 C.S.R. 1 I hope this allays any fear that bond ounsel may have regarding the Staff's intentions in this proceeding.

Sincerely,

Leslie J. Anderson

C. Terry Owen
Staff Counsel
by
Leslie J. Anderson
Staff Attorney
W.Va. Bar I.D. No. 5777

LAW OFFICES
WATERS, WARNER & HARRIS, PLLC

BOYD L. WARNER
JAMES A. HARRIS
SCOTT E. WILSON
JAMES C. TURNER
G. THOMAS SMITH
D. ANDREW MCMUNN
DAVID C. GLOVER

OF COUNSEL
STUART R. WATERS

701 Goff Building
P. O. Box 1716
Clarksburg, West Virginia 26302-1716

Telephone (304) 624-5571
Telecopier (304) 624-7228
Writer's E-Mail: j9harris@aol.com

September 23, 2004

City of Clarksburg
Municipal Building
222 West Main Street
Clarksburg, West Virginia 26301

Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301

West Virginia Water Development Authority
c/o Steptoe & Johnson, PLLC
Bank One Center, 6th Floor
P. O. Box 2190
Clarksburg, West Virginia 26302-2190

Steptoe & Johnson, PLLC
Bank One Center, 6th Floor
P. O. Box 2190
Clarksburg, West Virginia 26302-2190

Re: Title Opinion for Clarksburg Water Board

Ladies and Gentlemen:

This firm has performed an examination of title for the Clarksburg Water Board (the "Board") with regard to the site for a proposed project to construct certain additions, betterments and improvements to the existing waterworks system of the Board, which project we are advised by Steptoe & Johnson, PLLC is more particularly described in the Bond Ordinance enacted by the City of Clarksburg (the "Issuer") on September 2, 2004 (the "Project"). The Project site as described in paragraph 1 below is situate in the City of Clarksburg, Harrison

County, West Virginia. We provide this title opinion on behalf of the Board to satisfy the requirements of the West Virginia Water Development Authority for the Project. Please be advised of the following:

1. We are familiar with the legal description of the site (the "site"), which contains 0.854 acre, more or less, and the two 40-foot, non-exclusive, rights-of-way from said 0.854 acre tract or parcel of land to Chestnut Street, all of which are described on the attached Exhibit - Description.

2. We have examined the indices to the public records in the Office of the Clerk of the County Commission of Harrison County, West Virginia, the county in which the Project is to be located, pertaining to the site and said rights-of-way, and, in our opinion, the Board has acquired legal title or such other estate or interest in the site and in said rights-of-way, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance of the Project, subject to those matters of record in the office of the Clerk of the County Commission of Harrison County, West Virginia, reported in our title letter dated September 23, 2004, to the Board pertaining to the site and said rights-of-way, a copy of which is enclosed herewith, and subject to any matters which would be disclosed by a visual inspection or an accurate survey of the site and said rights-of-way.

3. The deed by which the Board acquired title to the site and said rights-of-way has been duly recorded in the Office of the Clerk of the County Commission of Harrison County to protect the legal title thereto and the interest of the Board therein. A copy of the deed vesting title in the Board to the site and said rights-of-way is enclosed with this opinion.

Very truly yours,

James A. Harris

James A. Harris

EXHIBIT - DESCRIPTION

All the following described tract or parcel of land, together with certain rights of way situate in the City of Clarksburg, Clark District, Harrison County, West Virginia, as follows:

> Beginning at a 5/8" iron rebar set this survey at the mouth of a 10" culvert on the north side of Arnold's Run and in the line of the Clarksburg Water Board property; thence with two lines of CWB N 47-31 W 89.50 feet to a 5/8" iron rebar, set this survey, from which the center of a manhole cover bears N 01-23-05 E 8.34 feet; thence N 54-31 W, crossing the railroad tracks, a distance of 120 feet to a point at the West Fork River; thence down and with the river N 24-11 E 141.52 feet to a point; thence leaving the river and recrossing the railroad tracks S 66-24 E a distance of 200.02 feet to a 5/8" rebar set with this survey; thence S 42-09-06 E 80 feet to the corner of a concrete block building; thence with the face of said block building S 47-36-14 W (at 109.97 feet passing another corner of said block building, thence leaving said building face) in all 177.71 feet to the beginning, and containing a gross area of 40,414.95 square feet, less 3,102.33 square feet for the railroad, leaving a net area of 37,212.62 square feet, 0.854 acre more or less.

Together, with two 40 foot, non exclusive, rights of way from said 0.854 acre tract to Chestnut Street, the center line of said rights of way being described as follows:

> First, beginning at a point in line of said 0.854 acre tract bearing N 47-36-14 E 47.43 feet from the 5/8" iron rebar set at the mouth of a 10" culvert; thence S 42-02-14 E 78.95 feet to a point; and thence S 43-48-29 E 205.15 feet to Chestnut Street.
>
> Second, beginning at a point in line of said 0.854 acre tract bearing N 42-09-06 W 30 feet from the corner of said concrete building; thence N 47-50-54 E 59.39 feet to a point; and thence S 48-10-36 E 281.24 feet to a point in the line of a tract presently owned by CWB (City of Clarksburg), said point bearing S 57-33 W 38.74 feet from a 3/4" iron rebar at the northern most corner of said CWB tract.

Said tract or parcel of land and rights-of-way are further described upon a plat prepared by Stephen D. Losh, Surveyor, September, 1995, of record in said Clerk's office in Deed Book No. 1269, page 1217.

THIS DEED, made this 2nd day of October,1995, by and between BOWIE, INC., a West Virginia corporation, hereinafter referred to as "Bowie", of the first part, and CLARKSBURG WATER BOARD, a municipal corporation, hereinafter referred to as "CWB", of the second part.

WITNESSETH: That in consideration of the sum of Thirty Five Thousand Dollars ($35,000), cash in hand paid by CWB, the receipt whereof is acknowledged, said Bowie does hereby grant, sell and convey unto said CWB, with covenants of general warrranty, all the following described tract or parcel of land, together with certain rights of way situate in the City of Clarksburg, Clark District, Harrison County, West Virginia, as follows:

Beginning at a 5/8" iron rebar set this survey at the mouth of a 10" culvert on the north side of Arnold's Run and in the line of the Clarksburg Water Board property; thence with two lines of CWB N 47-31 W 89.50 feet to a 5/8" iron rebar, set this survey, from which the center of a manhole cover bears N 01-23-05 E 8.34 feet; thence N 54-31 W, crossing the railroad tracks, a distance of 120 feet to a point at the West Fork River; thence down and with the river N 24-11 E 141.52 feet to a point; thence leaving the river and recrossing the railroad tracks S 66-24 E a distance of 200.02 feet to a 5/8" rebar set with this survey; thence S 42-09-06 E 80 feet to the corner of a concrete block building; thence with the face of said block building S 47-36-14 W (at 109.97 feet passing another corner of said block building , then leaving said building face) in all 177.71 feet to the beginning, and containing a gross area of 40,414.95 square feet, less 3,102.33 square feet for the railroad, leaving a net area of 37,212.62 square feet, 0.854

Rec. 10/10/95
Clbo Water Bd
1001 S. Chestnut St
Clbo.

acre, more or less.

Together with two 40 foot, non exclusive, rights of way from said 0.854 acre tract to Chestnut Street, the center line of said rights of way being described as follows:

First, Beginning at a point in line of said 0.854 acre tract bearing N 47-36-14 E 47.43 feet from the 5/8" iron rebar set at the mouth of a 10" culvert; thence S 42-02-14 E 78.95 feet to a point; and thence S 43-48-29 E 205.15 feet to Chestnut Street.

Second, beginning at a point in line of said 0.854 acre tract bearing N 42-09-06 W 30 feet from the corner of said concrete building; thence N 47-50-54 E 59.39 feet to a point; and thence S 48-10-36 E 281.24 feet to a point in the line of a tract presently owned by CWB (City of Clarksburg), said point bearing S 57--33 W 38.74 feet from a 3/4" iron rebar at the northern most corner of said CWB tract.

Said above described tract and rights-of-way are further described upon a plat prepared by Stephen D. Losh, Surveyor, September, 1995, a copy of which is attached hereto.

The land herein described is part of the same conveyed to Bowie by Fisher Auto Parts, Inc., by deed dated August 30, 1993, and recorded in the Office of the Clerk of the Harrison County Commission in Deed Book No. 1243 at page 675.

WITNESS, the following signature:

BOWIE, INC.

By: _____

President

STATE OF WEST VIRGINIA
COUNTY OF HARRISON, to wit:

The foregoing instrument was acknowledged before me this 5th day of October, 1995, by William H. Bowie as President of Bowie, Inc., a West Virginia corporation, on behalf of said corporation.

Leah Lunsford
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LEAH LUNSFORD
201 Elkins Street
Nutter Fort, W V 26301
My Commission Expires December 16, 2002

My commission expires:

I hereby certify that the above deed is a transfer to the Clarksburg Water Board which is a political subdivision and that excise tax is not applicable.

This instrument was prepared by:
Guy E. Morris, Jr.
437 S. Holden Street
Clarksburg, WV 26301

PLAT OF SURVEY FOR CLARKSBURG WATER BOARD

SITUATE IN THE CITY OF CLARKSBURG
CLARK DISTRICT, HARRISON COUNTY, WEST VIRGINIA

LAND SURVEYING SERVICES
21 Cedar Lane
Bridgeport, WV 26330
Phone: 304-842-2018

Orientation based on 1965 survey recorded in deed book 915 page 747.

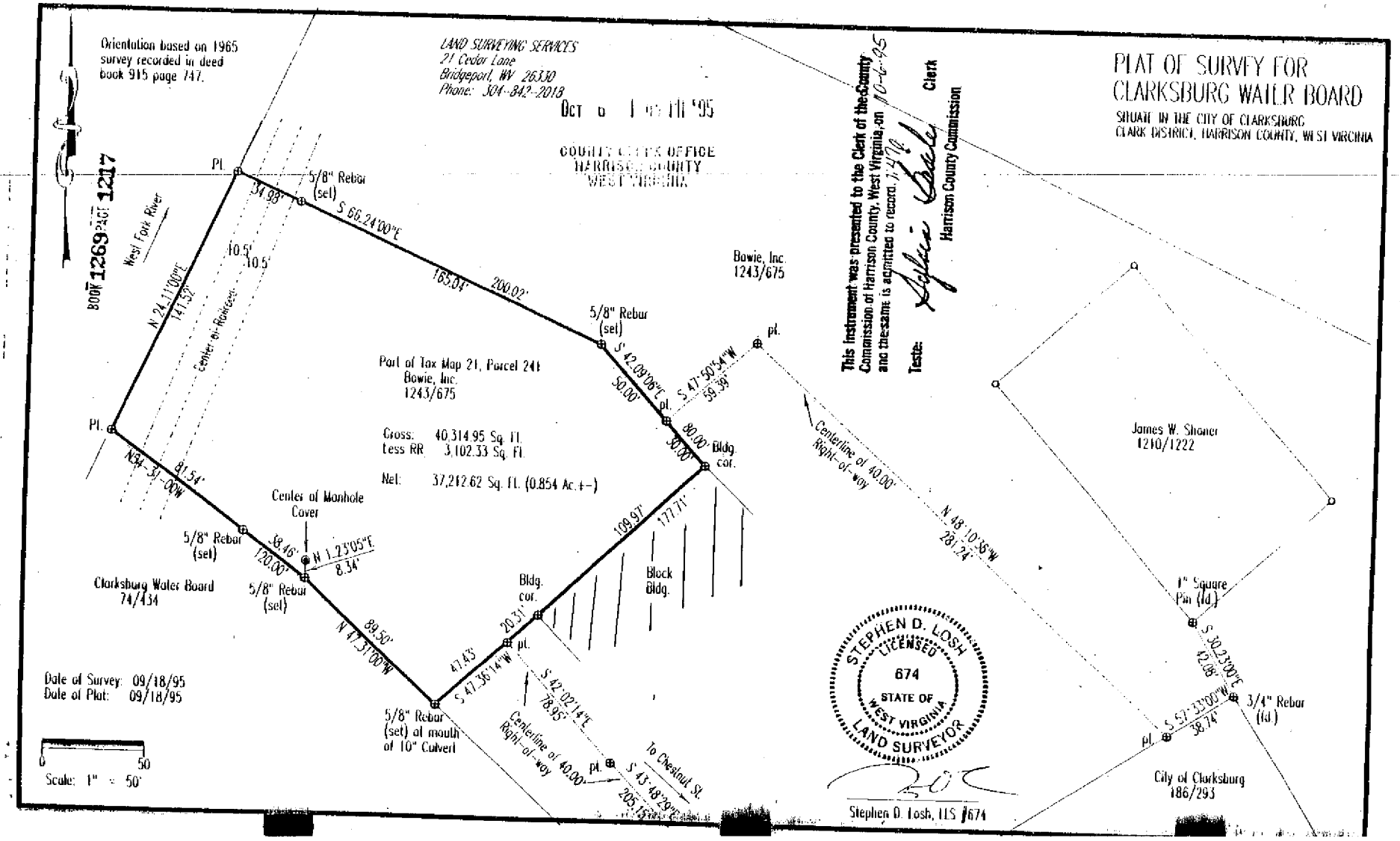
BOOK 1269 PAGE 1217

OCT 6 1 [illegible] PM '95

COUNTY CLERK'S OFFICE
HARRISON COUNTY
WEST VIRGINIA

This instrument was presented to the Clerk of the County Commission of Harrison County, West Virginia, on 10-6-95 and the same is admitted to record.

Teste: [signature] Clerk
Harrison County Commission



Date of Survey: 09/18/95
Date of Plat: 09/18/95

LAW OFFICES
WATERS, WARNER & HARRIS, PLLC

BOYD L. WARNER
JAMES A. HARRIS
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JAMES C. TURNER
G. THOMAS SMITH
D. ANDREW MCMUNN
DAVID C. GLOVER

OF COUNSEL
STUART R. WATERS

701 Goff Building
P. O. Box 1716
Clarksburg, West Virginia 26302-1716

Telephone (304) 624-5571
Telecopier (304) 624-7228
Writer's E-Mail: j9harris@aol.com

September 23, 2004

Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301

Ladies and Gentlemen:

Pursuant to your request, we have examined the indices to the public records in the office of the Clerk of the County Commission of Harrison County, West Virginia, pertaining to the title to the surface of all the following described tract or parcel of land, together with certain rights of way situate in the City of Clarksburg, Clark District, Harrison County, West Virginia, as follows:

> Beginning at a 5/8" iron rebar set this survey at the mouth of a 10" culvert on the north side of Arnold's Run and in the line of the Clarksburg Water Board property; thence with two lines of CWB N 47-31 W 89.50 feet to a 5/8" iron rebar, set this survey, from which the center of a manhole cover bears N 01-23-05 E 8.34 feet; thence N 54-31 W, crossing the railroad tracks, a distance of 120 feet to a point at the West Fork River; thence down and with the river N 24-11 E 141.52 feet to a point; thence leaving the river and recrossing the railroad tracks S 66-24 E a distance of 200.02 feet to a 5/8" rebar set with this survey; thence S 42-09-06 E 80 feet to the corner of a concrete block building; thence with the face of said block building S 47-36-14 W (at 109.97 feet passing another corner of said block building, thence leaving said building face) in all 177.71 feet to the beginning, and containing a gross area of 40,414.95 square feet, less 3,102.33 square feet for the railroad, leaving a net area of 37,212.62 square feet, 0.854 acre more or less.

Together, with two 40 foot, non exclusive, rights of way from said 0.854 acre tract to Chestnut Street, the center line of said rights of way being described as follows:

> First, beginning at a point in line of said 0.854 acre tract bearing N 47-36-14 E 47.43 feet from the 5/8" iron rebar set at the mouth of a 10" culvert; thence S 42-02-14 E 78.95 feet to a point; and thence S 43-48-29 E 205.15 feet to Chestnut Street.
>
> Second, beginning at a point in line of said 0.854 acre tract bearing N 42-09-06 W 30 feet from the corner of said concrete building; thence N 47-50-54 E 59.39 feet to a point; and thence S 48-10-36 E 281.24 feet to a point in the line of a tract presently owned by CWB (City of Clarksburg), said point bearing S 57-33 W 38.74 feet from a 3/4" iron rebar at the northern most corner of said CWB tract.

Said tract or parcel of land and said rights-of-way are further described upon a plat prepared by Stephen D. Losh, Surveyor, September, 1995, of record in said Clerk's office in Deed Book No. 1269, page 1217.

Our examination began with a deed dated March 11, 1918, (Deed Book No. 277, page 228) from Monticello Brick Company to Lange and Crist Box and Lumber Company and ended on September 15, 2004, at 8:00 a.m., from which examination we certify that at that time on September 15, 2004, as appeared from our examination of such records as were properly indexed in said Clerk's office, good title to the surface of said tract or parcel of land and said rights of way was vested in Clarksburg Water Board, subject only to the following:

1. Said plat (Deed Book No. 1269, page 1217) shows a railroad located on the westerly portion of said tract or parcel of land containing 0.854 acre, more or less. For your information and review, a copy of said plat is enclosed.

2. By said deed dated March 11, 1918, (Deed Book No. 277, page 228) Monticello Brick Company conveyed a larger tract or parcel of land, of which the property under examination was a part, to Lange and Crist Box and Lumber Company subject to the rights of Hazel-Atlas Glass Company under a prior lease for oil and gas purposes and stated that it was the purpose of said deed to make separation and severance of the oil and gas within and underlying the parcel therein conveyed. Said deed was further made subject to the right of way for railroad purposes then owned by the Baltimore and Ohio Railroad Company running across said parcel of land along and near said river, as set forth and described in a certain deed made by J. P. Pollard and wife to the Weston and West Fork Railroad Company dated April 28, 1879, and recorded in said Clerk's office in Deed Book No. 62, at page 55; and was further made subject to such rights,

and such rights only as were vested in A. Pitcairn by a certain lease and agreement made to him by J. R. Adams and I. N. Williams, dated October 4, 1902, and recorded in said Clerk's office in Deed Book No. 155, page 339 and which said rights were then said to be claimed by the Harry B. Coal and Coke Company, a corporation.

3. By deed dated September 31, 1961, (Deed Book No. 858, page 569) Lange and Crist Box and Lumber Company conveyed to Lange and Crist of Greensville, Inc. a larger tract or parcel of land, of which the property under examination was a part, subject to the same right of way for railroad purposes described in paragraph 1 above and further subject to a certain right of way for a water line or lines granted by Lange and Crist Box and Lumber Company to the Clarksburg Water Board by deed dated July 8, 1955, (Deed Book No. 807, at page 508). Said rights of way were also set forth in a deed dated June 11, 1962, (Deed Book No. 864, page 35) from Lange and Crist of Greensville, Inc. to Association for Industrial Development of Harrison County. Said deed dated June 11, 1962, (Deed Book No. 864, page 37) further provided that there was a railroad siding crossing said property which served the property thereby conveyed and other property belonging to Lange and Crist Box and Lumber Company on the opposite side of Clarksburg and Weston Pike and that said railroad siding would be for the common use of Lange and Crist Box and Lumber Company and Lange and Crist of Greenville, Inc., their tenants, lessees, successors and assigns.

4. By deed dated February 1, 1966, (Deed Book No. 915, page 740) Association for Industrial Development of Harrison County conveyed to Fairmont Auto Supply Company a larger tract or parcel of land, of which the property under examination was a part subject to several terms, provisions and conditions, of which the following do or may affect the property under examination:

> "1. The Grantor reserves and excepts from this conveyance the sewer line extending from the building on the parcel of ground reserved and excepted from this conveyance across a part of the property conveyed but the Grantee, its successors and assigns, shall have and are hereby given the right to tap into said sewer line and use it for structures on the property hereby conveyed. The Grantee shall bear its proper part of the costs of repairing, maintaining and replacing said sewer line. The Grantor reserves and excepts to itself, its tenants, lessees and assigns, the right to enter upon the premises hereby conveyed to maintain, repair or replace said sewer line and the right to perpetual use of said sewer line, but the Grantor, its tenants, lessees and assigns, shall bear their proper part of the costs of repairing, maintaining and replacing said sewer line.

"2. The Grantor reserves to itself, its tenants and assigns, the right to use, along with the Grantee, its tenants and assigns, the hatched area shown on said plat and designated thereon "Driveway," and which access area or driveway is outlined in green on said plat. Neither party shall place any structures or obstructions on said access area or driveway that will prevent the free and proper use thereof by the other party. The parties shall contribute to the maintenance of said driveway or access area in proportion to their use thereof.

"3. . . .

"4. The Grantor reserves for itself, its tenants and assigns, the right to use in common with the Grantee, its tenants and assigns, and Lange & Crist of Greenville, Inc., its successors and assigns, that certain railroad siding passing along the southerly side of the block building located on the property hereby conveyed, which siding is shown on said plat, and the right to use in common with the Grantee, its tenants and assigns, that certain other railroad siding passing along the northerly side of said block building as shown on said plat. The parties using said sidings, or either of them, shall bear the cost of maintaining the same in proportion to the use made thereof.

"5. This conveyance is subject to a certain deed made by J. P. Pollard and Myra Pollard, his wife, to Weston and West Fork Railroad Company, a corporation, dated April 28, 1879, and recorded in said Clerk's office in Deed Book No. 62, at page 55, granting a strip of property for railroad purposes.

"6. The property hereby conveyed is further subject to any and all valid easements and rights-of-way, either visible on said property or properly recorded in the office of the Clerk of the County Court of said Harrison County, providing for telephone, telegraph and power lines, gas lines and other purposes, and is expressly subject to all existing water lines, regardless of whether rights-of-way for such existing water lines, or any of them, are recorded or are not recorded.

"7. The Grantor reserves for itself, its tenants and assigns, the right to place reasonable business signs at the point where the access area or driveway as shown on said plat enters the property hereby conveyed from South Chestnut Street and at such other point or points on South Chestnut Street as may be approved in writing by the Grantee, its successors or assigns.

"8. . . ."

For your information and review, enclosed is a copy of the plat referred to in and recorded with said deed dated February 1, 1966, (Deed Book No. 915, page 740).

5. By instrument dated July 8, 1955, (Deed Book No. 807, page 508) Lange and Crist Box and Lumber Company, Inc. granted to City of Clarksburg on behalf of the Clarksburg Water Board a right of way for a pipeline and related appliances upon a larger tract or parcel of land in Clark District, of which the property under examination was a part.

6. By instrument dated July 19, 1962, (Deed Book No. 866, page 181) Association for Industrial Development Corporation granted to Hope Natural Gas Company a right of way for pipelines and related appliances upon a tract located on South Chestnut Street, Clark District, of which the property under examination was a part.

7. By instrument dated July 19, 1962, (Deed Book No. 866, page 183) Association for Industrial Development Corporation granted to Hope Natural Company a right of way for pipelines and appliances and a line of poles for telephone and other wires upon a tract or parcel of land located on South Chestnut Street, Clark District, of which the property under examination was a part.

8. By instrument dated January 13, 1964, (Deed Book No. 887, page 353) Association for Industrial Development of Harrison County, Inc. granted to Monongahela Power Company a right of way for an electric distribution and telephone system upon a tract of five acres near Chestnut Street, Clark District, of which the property under examination was a part.

9. By instrument dated May 20, 1964, (Deed Book No. 896, page 30) Association for Industrial Development of Harrison County granted to Wallace D. Craig a lease of 1.80 acres, of which a portion of the property under examination, was a part. The term of said lease was for 3 years and 11 days from said date and if extended beyond that date the term was to be month to month.

10. By instrument dated December 30, 1965, (Deed Book No. 915, page 734) City of Clarksburg, a municipal corporation, for and on behalf of the Clarksburg Water Board, and Association for Industrial Development of Harrison County agreed to and granted to each other perpetual easements for ingress and egress over and across their respective property, the property of Association for Industrial Development of Harrison County, being a larger tract or parcel of land of which the property under examination is a part. Said deed further contained the following:

> "3. It is understood and agreed that a number of water lines have heretofore been laid under the property now owned by A. I. D. extending to and from the City's water filtration basin or basins and A. I. D. hereby confirms all rights of way and

easements for all such water lines now in existence, regardless of whether or not written agreements have heretofore been obtained from A. I. D. or from A. I. D.'s predecessors in title for such rights of way and easements.

"4. A. I. D. recognizes that the City has the right under prior easements either granted to it or retained by it to lay additional pipelines leading from its water filtration tanks on the north side of Arnold's Run to its water plant on the south side of Arnold's Run, and nothing contained in this agreement shall affect the right of the City to maintain, repair and replace its present lines and to lay, construct, maintain, repair and replace additional lines from time to time as the City may deem proper."

11. Any matters which would be disclosed by a visual inspection or an accurate survey of the property under examination are not included in this title examination.

12. We did not examine title to the minerals, including the coal, oil and gas, within and underlying the property under examination and this letter does not constitute a certification of title with respect to said minerals.

For the year 2004, the property under examination is entered on the Land Books of Harrison County in Clark District-Clarksburg, in the name of Clarksburg Water Board (Tax Map No. 21, Parcel No. 241.2, Account No. 6739229), as follows:

Description	Land	Improvements	Total	Taxes Per Half Year
1 Lot .854 ac So Chestnut St	$25,680.00	$62,340.00	$88,020.00	$0.00

The property under examination has been properly entered on the Land Books of Harrison County for the years 1996 through 2004 but no taxes have been assessed against the property under examination because it is owned by the Clarksburg Water Board, a municipal corporation, and is therefore exempt from taxation.

If you have any questions concerning the matters reported in this letter, please feel free to call me.

Very truly yours,

James A. Harris

James A. Harris

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDERS
16. PRIVATE USE OF FACILITIES
17. NO FEDERAL GUARANTY
18. IRS INFORMATION RETURN
19. SPECIMEN BOND
20. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
21. CONFLICT OF INTEREST
22. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR, CITY MANAGER and CITY CLERK of the City of Clarksburg in Harrison County, West Virginia (the "Issuer") and the undersigned COUNSEL to the Issuer, hereby certify in connection with the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated the date hereof (the "Bonds" or the "Series 2004 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond

Ordinance of the Issuer duly enacted September 2, 2004, and the Supplemental Resolution duly adopted September 9, 2004 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2004 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued as Capital Appreciation Bonds, in the original aggregate principal amount of $1,970,405, pursuant to an ordinance of the Issuer enacted December 17, 1992 (the "Series 1992 Bonds"); (ii) Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the original aggregate principal amount of $2,383,850, pursuant to an ordinance of the Issuer enacted April 5, 2001 (the "Series 2001 A Bonds"); and (iii) Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002, issued in the original aggregate principal amount of $16,260,000, pursuant to an ordinance of the Issuer enacted May 30, 2002 (the "Series 2002 Bonds") (collectively, the "Prior Bonds").

The Series 2004 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 2001 A Bonds to the issuance of the Series 2004 A Bonds on a parity with the Series 2001 A Bonds. No written parity consent is required from the Holders of the Series 1992 Bonds and the Series 2002 Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the ordinances authorizing the issuance of the Prior Bonds.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

City Charter, with Amendments

Oaths of Office of Current Officers and Council members

Clarksburg Water Board Charter

Oaths of Office of Clarksburg Water Board Members

Authorizing Resolution of Board

Minutes on Adoption of Authorizing Resolution

Water Rate Resolution of Board

Minutes on Adoption of Rate Resolution

Affidavit of Publication of Rate Resolution and Notice of Public Hearing

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

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

Consent of West Virginia Water Development Authority

1992 Bond Ordinance and Supplemental Resolution

2001 A Bond Ordinance and Supplemental Resolution

2002 Bond Ordinance and Supplemental Resolution

Office of Environmental Health Services Permit

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Clarksburg." The Issuer is a municipal corporation in Harrison County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and 6 council members, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name			Date of Commencement of Office	Date of Termination of Office
Sam "Zeke" Lopez	-	Mayor	July 1, 2001	June 30, 2005
Terry J. Greaver	-	Councilmember	July 1, 2001	June 30, 2005
James C. Hunt	-	Councilmember	July 1, 2001	June 30, 2005
Patsy S. Trecost II	-	Councilmember	July 1, 2001	June 30, 2005
Margaret Ann Bailey	-	Councilmember	July 1, 2003	June 30, 2007
Jo Anne McNemar	-	Councilmember	July 1, 2003	June 30, 2007
Dan Thompson	-	Councilmember	July 1, 2003	June 30, 2007

The names of the duly elected or appointed, qualified and acting members of the Clarksburg Water Board of the Issuer are as follows:

President	-	Albert N. Cox, II
Member	-	John P. "Jack" Keeley
Member	-	Paul J. Howe, III

The duly appointed and acting City Manager of the Issuer is Frank Ferrari. The duly appointed and acting City Clerk of the Issuer is Annette M. Wright. The duly appointed and acting Counsel to the Issuer is Young Morgan and Cann PLLC, in Clarksburg, West Virginia. The duly appointed and acting Counsel to the Clarksburg Water Board is John L. DePolo in Clarksburg, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction and financing of the Project or the operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and Loan Agreements is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best

knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. RATES: The Board has duly adopted a water rate resolution on February 24, 2004, setting rates and charges for the services of the System and such rates and charges are currently in effect.

12. PUBLIC SERVICE COMMISSION ORDER: The Issuer and the Board have received the Recommended Decision and the Commission Order of the Public Service Commission of West Virginia entered on September 21, 2004, in Case No. 04-0420-W-CN, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Orders has not expired prior to the date hereof. However, the parties to such Orders have stated that they will not appeal such Orders and such Orders are not subject to appeal by anyone not a party thereto. The Issuer hereby certifies that it will not appeal such Orders. Such Orders remain in full force and effect.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor and City Manager did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by their manual signatures, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof, the Issuer received from the Authority the agreed purchase price of the Bonds, being $1,885,764 (100% of par value), there being no interest accrued thereon.

15. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Clarksburg Exponent-Telegram*, a qualified newspaper published and of general circulation in the City of Clarksburg, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a

public meeting of Governing Body on the 2nd day of September, 2004, at 7:30 p.m., at the Council Chambers in Clarksburg City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

16. 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 necessary in order 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 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 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 or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

17. 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.

18. IRS INFORMATION RETURN: On the date hereof, the undersigned City Manager did officially execute a properly completed IRS Form 8038-G in connection with the Bonds and will cause such executed Form 8038-G to be filed in a timely manner pursuant to Section 149(e) of the Code with the Internal Revenue Service Center, Odgen,

Utah. The information contained in such executed Form 8038-G is true, correct and complete.

19. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

20. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: Unless it shall hereafter be qualified for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act"), and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer hereby certifies to the Authority that (I) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (II) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Issuer will file with the DOL and the Authority copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The Issuer hereby certifies that it will continue to monitor compliance by its contractors and subcontractors and that the required information will be submitted.

21. CONFLICT OF INTEREST: No member, officer or employee of the Issuer or the Board has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

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

WITNESS our signatures and the official seal of the CITY OF CLARKSBURG on this 28th day of September, 2004.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Sam Lopez	Mayor
Fred Tem	City Manager
Annette M. Wright	City Clerk
Gregory A. Murphy	Counsel to the Issuer

09/23/04
155510/00019

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

GENERAL CERTIFICATE OF CLARKSBURG WATER BOARD ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. INCUMBENCY AND OFFICIAL NAME
6. LAND AND RIGHTS-OF-WAY
7. MEETINGS, ETC.
8. CONTRACTORS' INSURANCE, ETC.
9. RATES
10. PUBLIC SERVICE COMMISSION ORDERS
11. PRIVATE USE OF FACILITIES
12. NO FEDERAL GUARANTY
13. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
14. CONFLICT OF INTEREST
15. EXECUTION OF COUNTERPARTS

We, the undersigned PRESIDENT and GENERAL MANAGER of the Clarksburg Water Board in Harrison County, West Virginia (the "Board") hereby certify in connection with the Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated the date hereof (the "Bonds" or the "Series 2004 A Bonds"), of the City of Clarksburg (the "Issuer") as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted September 2, 2004, and the Supplemental Resolution duly adopted September 9, 2004 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Board or the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys

or security provided for the payment of the Bonds or the existence or the powers of the Board insofar as they relate to the authorization of the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Board since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer or the Board have met all conditions prescribed in the Loan Agreement. The Board has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

5. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Board is "Clarksburg Water Board." The Board is a municipal water board existing under Section 25 of the Charter (the "Charter") of the City of Clarksburg. The governing body of the Board consists of its three members, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name			Date of Commencement of Office	Date of Termination of Office
Albert N. Cox, II	-	President	July 1, 2001	June 30, 2005
John P. "Jack" Keeley	-	Member	July 1, 2001	June 30, 2005
Paul J. Howe III	-	Member	July 1, 2003	June 30, 2007

The duly appointed and acting Counsel to the Clarksburg Water Board is John L. DePolo in Clarksburg, West Virginia. The duly appointed and acting General Manager of the Clarksburg Water Board is Richard D. Welch.

6. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such

purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Board to pay for the same without jeopardizing the security of or payments on the Bonds.

7. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Board in any way connected with the issuance of the Bonds and the acquisition, construction and financing of the Project or the operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Board duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

8. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and Loan Agreements is in full force and effect.

9. RATES: The Board has duly adopted a water rate resolution on February 24, 2004, setting rates and charges for the services of the System and such rates and charges are currently in effect.

10. PUBLIC SERVICE COMMISSION ORDER: The Issuer and the Board have received the Recommended Decision and the Commission Order of the Public Service Commission of West Virginia entered on September 21, 2004, in Case No. 04-0420-W-CN, granting to the Issuer and the Board a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Orders has not expired prior to the date hereof. However, the parties to such Orders have stated that they will not appeal such Orders and such Orders are not subject to appeal by anyone not a party thereto. The Board hereby certifies that it will not appeal such Orders. Such Orders remain in full force and effect.

11. PRIVATE USE OF FACILITIES: The Board shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order 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 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 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 or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and 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. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: Unless it shall hereafter be qualified for an exception, the Board shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act"), and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Board hereby certifies to the Authority that (I) the Board will comply with all the requirements of the West Virginia Jobs Act; (II) the Board has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Board has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Board will file with the DOL and the Authority copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The Board hereby certifies that it will continue to monitor compliance by its contractors and subcontractors and that the required information will be submitted.

14. CONFLICT OF INTEREST: No member, officer or employee of the Board has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or the Board or in the sale of any land, materials, supplies or services to the Issuer or the Board or to any contractor supplying the Issuer or the Board, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

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

WITNESS our signatures and the official seal of the Clarksburg Water Board on this 28th day of September, 2004.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	President
	General Manager

09/23/04
155510/00019

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of the City of Clarksburg in Harrison County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the $1,885,764 Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer, dated the date hereof (the "Bonds"), hereby certifies as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the ordinance authorizing the Bonds duly enacted by the Issuer on September 2, 2004, as supplemented (the "Bond Ordinance" or "Ordinance").

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 28, 2004, the date on which the Bonds are to be physically delivered in exchange for the entire principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Bonds were sold on September 28, 2004, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated September 23, 2004, by and between the Issuer and the Authority for an aggregate purchase price of $1,885,764 (100% of par). No accrued interest has been or will be paid on the Bonds.

6. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond 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.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds; and (iii) paying costs of issuance and related costs thereof.

8. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment, or has already done so. Acquisition and construction of the Project and allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion and, with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the Series 2004 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before September 1, 2005, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Acquisition and construction of the Project is expected to be completed by July 1, 2005.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $1,885,764. Sources and uses of funds for the Project are as follows:

SOURCES	
Gross Proceeds of the Bonds	$1,885,764
Total Sources	$1,885,764
USES	
Costs of Acquisition and Construction of the Project	$1,707,384
Capitalized Interest	-0-
Fund Reserve Account	$151,380
Costs of Issuance	$27,000
Total Uses	$1,885,764

The total amount of the costs of the Project 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 costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created (or continued if previously established by the Prior Ordinances):

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Operation and Maintenance Fund;

(4) Series 2004 A Bonds Construction Trust Fund;

(5) Series 2004 A Bonds Sinking Fund; and

(6) Series 2004 A Bonds Reserve Account.

11. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

(1) Series 2004 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2004 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 2004 A Bonds proceeds in the amount of $151,380 will be deposited in the Series 2004 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2004 A Bonds will be deposited in the Series 2004 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project, including costs of issuance of the Series 2004 A Bonds and related costs.

Amounts in the Series 2004 A Bonds Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years, except as otherwise set forth herein. All of such moneys are necessary for such purpose.

Except for "preliminary expenditures" as defined in Treasury Regulation § 1.150 - 2(f)(2), none of the proceeds of the Series 2004 A Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Moneys held in the Series 2004 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2004 A Bonds Sinking Fund and Series 2004 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2004 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Except for the Series 2004 A Bonds Sinking Fund and the Series 2004 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 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 or Operation and Maintenance 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. Less than 10% of the stated principal amount of the Bonds, if any, will be deposited in the Series 2004 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2004 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Bonds and will not exceed 125% of average annual principal of and interest on the Bonds. Amounts in the Series 2004 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2004 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Bonds, and is reasonably required to assure payments of debt service on the Bonds.

Because amounts in the Depreciation Fund and the Operation and Maintenance 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.

14. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 9 months of the date hereof.

16. 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.

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

18. With the exception of the amount deposited in the Series 2004 A Bonds Sinking Fund for payment of interest on the Bonds and the amount deposited in the

Series 2004 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 11 months from the date of issuance thereof.

19. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

20. The Series 2004 A Bonds Sinking Fund (other than the Series 2004 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 2004 A Bonds Sinking Fund (other than the Series 2004 A Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds, or 1 year's interest earnings on the Series 2004 A Bonds Sinking Fund (other than the Series 2004 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2004 A Bonds Sinking Fund for payment of the principal of or interest on the Bonds (other than the Series 2004 A Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 2004 A Bonds Sinking Fund (other than in the Series 2004 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

21. 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.

22. 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.

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

24. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issues except, to the extent any such proceeds are required for rebate to the United States.

25. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

26. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the

Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions 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.

27. 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.

28. 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 2004, 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 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. No portion of the Bonds is issued to refund other obligations.

29. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income for federal income tax purposes.

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

31. The Issuer has either (a) funded the Series 2004 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2004 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2004 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year.

Moneys in the Series 2004 A Bonds Reserve Account and the Series 2004 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

32. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

33. 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.

34. 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.

35. The Bonds are a fixed yield issue. No interest or other amount payable on the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

36. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bonds determined by assuming the Bonds are retired on the date that when used in computing the yield on the Bonds produces the lowest yield.

37. The Issuer will rebate to the United States the amount, if any, required by the Code and will take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount and any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

38. 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.

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

40. 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.

41. 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.

42. 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.

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

WITNESS my signature on this 28rd day of September, 2004.

CITY OF CLARKSBURG

Sam Lopez

Mayor

09/22/04
155510/00019

Gannett Fleming

GANNETT FLEMING, INC.
Suite 200
11 Commerce Drive
Morgantown, WV 26501-3858
Office: (304) 296-6492
Fax: (304) 296-6495
www.gannettfleming.com

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

CERTIFICATE OF ENGINEER

I, Michael D. Hritz, Registered Professional Engineer, West Virginia License No. 14145, of Gannet Fleming, Inc., in Morgantown, West Virginia, hereby certify as follows:

1. My firm is engineer for the planning, design, acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing public waterworks facilities (the "System") of the City of Clarksburg (the "Issuer"), to be constructed in Harrison County, West Virginia, which planning, design, acquisition and construction are being financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on September 2, 2004, as supplemented by the Supplemental Resolution adopted by the Issuer on September 9, 2004, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), dated September 23, 2004 (the "Loan Agreement").

2. The Bonds are being issued (i) to pay the costs of acquisition and construction of the Project; (ii) to fund a reserve account for the Bonds; and (iii) to pay certain costs of issuance and related costs, as shown on the final amended "Schedule A - Estimated Total Cost of Project, Sources of Funds and Cost of Financing," a copy of which is attached as Exhibit A hereto.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Bureau for Public Health (the "BPH") and any change orders approved by the Issuer, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 25 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule A attached hereto as Exhibit A and the Board's counsel, John L. DePolo, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain the critical operational components of

the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of Tetrick & Bartlett, PLLC, the Issuer's certified public accountant, of even date herewith, as of the effective date thereof, the rates and charges for the System will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other sources of funds, if any, set forth on the Schedule A are sufficient to pay the estimated total costs of acquisition and construction of the Project, plus the costs of financing, all as set forth on the attached Schedule A; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Estimated Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 28th day of September, 2004.

GANNET FLEMING, INC.

(SEAL)

MICHAEL D. HRITZ
REGISTERED
No.
14145
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

Michael D. Hritz, P.E.
West Virginia License No. 14145

09/21/04
155510/00019

Water Development Authority

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Schedule A

Name of Local Governmental Agency: City of Clarksburg Water

Estimated Cost of Project, Sources of Funds and Cost of Financing

A. Cost of Project	Amount
1. Construction	1,473,000
2. Technical Services	132,000
3. Legal and Fiscal	0
4. Administrative	14,000
5. Site and Other Lands	0
6. Step I and/or Step II or Other Loan Repayment (Specify Type)	0
7. Interim Financing Costs	0
8. Contingency	88,384
9. Total of Lines 1 - 8	1,707,384

B. Sources of Funds	Source	Amount
10. Federal Grants		0
11. State Grants		0
12. Other Grants		0
13. Other Sources		0
14. Total of Lines 10 - 13		0
15. Proceeds Required from Bond Issue (Line 9 Less Line 14)		1,707,384

C. Cost of Financing	Amount
16. Capitalized Interest (Construction period plus six months)	0
17. Funded Reserve Account	151,380

18. Bond Counsel		25,000
19. Other Costs	Source	
	accounting	2,000
20. Total of Lines 16 - 19		178,380
21. Size of Bond Issue (Line 15 plus Line 20)		1,885,764

Contact Person
Dan L. Adkins, Dir. of Finance, Clarksburg Water B

Address
1001 So. Chestnut St., Clarksburg, WV 26301

Telephone 3046233711 Fax 3046245468 Email dadkins@clarksbur

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Governmental Agency:

/s/ Richard D. Welch

Richard D. Welch
Secretary / Treasurer
Clarksburg Water Board

Consulting Engineer:

/s/ Michael D. Hritz

Michael D. Hritz, P.E.
Project Manager
Gannett Fleming, Inc.

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • E-mail: TBCPA@tetrickbartlett.com

September 28, 2004

City of Clarksburg
Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

City of Clarksburg
Clarksburg, West Virginia

Clarksburg Water Board
Clarksburg, West Virginia

Financial Guaranty Insurance Company
New York, New York

West Virginia Bureau
for Public Health
Charleston, West Virginia

West Virginia Water
Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Rate Resolution adopted by the Clarksburg Water Board on February 24, 2004, and projected operating expenses and anticipated customer usage as furnished to us by Gannett Fleming, Inc., the consulting engineers for the City of Clarksburg (the "Issuer"), it is our opinion that such rates and charges will be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the maximum annual debt service on the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, and Water Refunding Revenue Bonds, Series 2002, dated July 1, 2002 (collectively, the "Prior Bonds") and Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority) (the "Series 2004 A Bonds") in any fiscal year; and (ii) the amount required to be deposited in the Reserve Account for the Series 1992 Bonds and the Series 2002 Bonds in order to satisfy the Reserve Account Requirement for the Series 1992 Bonds and the Series 2002 Bonds within a period of not more than 12 months.

It is our opinion that the Net Revenues actually derived from the waterworks system of the Issuer (the "System") during the fiscal year preceding the date of the actual issuance of the Series 2004 A Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of the Series 2004 A Bonds will not be less than 120% of the maximum annual debt service on the Prior Bonds and the Series 2004 A Bonds. It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2004 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 2004 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2004 A Bonds and the Prior Bonds.

Respectfully,

Tetrick & Bartlett, PLLC

Tetrick & Bartlett, PLLC

CHARTER

OF THE CITY OF

CLARKSBURG, WEST VIRGINIA

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CHARTER

OF THE CITY OF

CLARKSBURG, WEST VIRGINIA

SECTION 1. INCORPORATION.

The inhabitants of the City of Clarksburg, Harrison County, West Virginia, within the corporate limits thereof as now established or as may hereafter be established in the manner provided by law, shall be and continue in perpetuity to be a municipal body politic and corporate, under the name of the "City of Clarksburg," with all the powers of self-government granted by the constitution and laws of the state.

SECTION 2. SUCCESSION.

The City of Clarksburg, as successor in interest of the present municipal corporation of the same name, shall succeed to, own, possess and enjoy all the property and all the rights, titles and interest of every kind and nature vested in or belonging to such municipal corporation at the time this charter becomes effective, shall be subject to all existing liabilities, shall be bound by and through the appropriate agency shall pay all existing debts, and shall faithfully perform all present duties and discharge all present obligations of such corporation.

SECTION 3. FORM OF GOVERNMENT.

There is established by this Charter the council-manager form of municipal government, as prescribed in sections five and five-a, article three, chapter eight-a of the official code of West Virginia, as amended. Except as otherwise provided in this charter, the council shall be the governing authority of the city, and shall appoint the city manager who shall execute the laws and administer the government of the city, except as otherwise provided herein.

SECTION 4. POWERS OF CITY.

The city shall have all the powers specifically provided for in this charter, and shall also have all the powers now or hereafter granted to municipal corporations and to cities of its class by the constitution and general laws of the state, together with all the implied powers necessary and proper to carry into execution the powers so granted. The enumeration herein of particular powers shall not be deemed exclusive, but the city shall have and may exercise all the powers which under the constitution and laws of the state might properly be specifically enumerated in this charter.

SECTION 5. THE COUNCIL; QUALIFICATIONS, TERM OF OFFICE, AND SALARY OF MEMBERS; SELECTION OF MAYOR; VACANCIES.

The Council shall consist of seven members to be elected at large by the qualified voters of the city for terms of four years beginning on the first day of July following their election, except that of the seven councilmen elected at the first election held under the provisions of this charter the three receiving the smallest numbers of votes shall be elected for terms of two years. At each regular election thereafter either three or four councilmen, as the case may be, shall be elected to succeed the incumbent members whose terms of office expire on the thirtieth day of June following the election. The terms of office of all councilmen in office on the date this charter is adopted shall continue until the close of business on the thirtieth day of June following the first regular election held hereunder.

Councilmen shall be qualified voters of the city, shall have been residents of the City for at least one year prior to their nomination for the office, shall hold no other public office except that of notary public or member of the National Guard or naval or military reserve, and shall not be employed by the city in any capacity. If a councilman shall cease to be qualified or shall be convicted of any crime involving moral turpitude, his office shall immediately become vacant.

A special meeting of the council shall be held at 7:30 P.M. on the first day of July following each regular city election. Following the selection of a temporary chairman, the newly elected councilmen shall be inducted into office. The council shall then elect one of its members to serve as mayor for a term of two years. The mayor shall preside at meetings of the council and shall be recognized as the head of the city government for all ceremonial and military purposes, but shall have no regular administrative duties.

The salary of the Mayor and Council shall be fixed by ordinance.

If any vacancy occurs in the office of councilman, the council shall within thirty days by the affirmative vote of at least four members appoint a qualified person to fill the vacancy for the unexpired term. If the vacancy is not so filled within thirty days after it occurs, then of the unsuccessful candidates for the office of councilman at the last election, who are still qualified and willing to serve, the one who received more votes than any of the others shall be entitled to the office. If the vacancy is not filled by either of these methods, it shall be filled at a special election to be held on a date not more than four months after the vacancy occurs. In the resolution calling the special election, the council shall specify procedures for the conduct of the election, and dates for the circulation and filing of nominating petitions and for the holding of the election, which shall conform as nearly as may be practicable to the procedures and schedule established by this charter for regular city elections. (Amended 6-1-93)

SECTION 6. MEETINGS OF THE COUNCIL; RULES OF PROCEDURE; JOURNAL.

Regular meetings of the council shall be held at 7:30 P.M. on the first and third Mondays of each month, or on such other stated days as the council may by ordinance prescribe. Special meetings may be held at any time upon call of the mayor or any three councilmen and upon such notice as the council may by rule prescribe. All meetings of the council shall be open to the public.

Four members of the council shall constitute a quorum. The mayor shall be entitled to vote on all matters before the council. The council shall by resolution adopt by-laws prescribing its own rules, procedure, and order of business, and shall keep a journal of all of its proceedings, which shall be available for public inspection.

SECTION 7. POWERS OF THE COUNCIL; APPOINTMENT AND TENURE OF CITY MANAGER.

Subject to any limitations imposed by the constitution and general laws of the state, all powers of the city shall be vested in and exercised by the council, except such powers as are by this charter specifically vested in the water board and such powers as are by general law vested in the other boards or commissions provided for in this charter or hereafter created by council pursuant to general law. No franchise granted by the council may be transferred in whole or in part without the written consent of council.

The council shall appoint a city manager to serve for an indefinite term, and may at any time remove him from office by the affirmative vote of not less than four of its members. At least thirty days before such removal shall become effective, the council shall adopt a preliminary resolution stating the reasons for his removal, and specifying the date on which his removal shall become final. At any time within ten days after the adoption of such resolution, upon the written request of the manager, he shall be afforded an opportunity to be heard at a public meeting of the council, which shall be held no earlier than ten nor later than twenty days after the request was made, and at a time and place to be fixed by council. After such public hearing if one is requested, after full consideration, the council by the affirmative vote of four of its members may adopt a final resolution of removal. By the preliminary resolution the council may suspend the manager with pay for a period not to exceed thirty days, and may designate some other person to perform the duties of the manager during the period of his suspension.

The city manager shall be a person of proved executive and administrative ability, preferably with experience and training in the field of city management. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside within the city. No councilman, during his term and for a year thereafter, shall be eligible for appointment as city manager.

Neither the council nor any of its members shall direct or in any manner interfere with or obstruct the appointment or removal of any city officer or employee by the city manager or by any of his subordinates. Except for the purpose of inquiry, the council and its members shall deal with the administrative service solely through the city manager and neither the council nor any member thereof shall give orders to any subordinates of the city manager, either publicly or privately. If any councilman shall violate the provisions of this section, he shall be subject to removal from office in the

manner provided for the removal of municipal officers in section seven, article six, chapter six of the official code of West Virginia, as amended.

Except as otherwise provided by this charter, and within the limitations imposed by the constitution and general laws of the state, the council may determine the powers and duties of city officers, and subject to the requirements of general law may regulate the number, method of selection, qualifications, tenure, and compensation of city officers and employees, including the establishment of civil service for such employees.

SECTION 8. POWERS AND DUTIES OF CITY MANAGER.

Except as otherwise provided in the charter, the city manager shall be the head of the administrative branch of the city government. He shall be responsible to the council for the proper and efficient adminstration of all affairs of the city under his authority, and to that end, except as otherwise provided in this charter, he shall have the power and shall be required to:

(1) Appoint and, when he deems it necessary or advisable, remove all officers and employees of the city except as otherwise provided by this charter or by general law, and except as he may authorize the head of a department or office to appoint and remove subordinates in such department or office.

(2) Prepare the annual budget, submit it to the council for adoption, and be responsible for its administration after adoption.

(3) Prepare and submit to the council as of the end of each fiscal year a complete report on the finances and administrative activities of the city for the preceding year.

(4) Advise the council with respect to future plans and physical needs, and keep it informed concerning the current financial condition of the city.

(5) Require the chief of police and the chief of the fire department to establish for their respective departments a course of training designed to promote the more efficient and safe operation of their departments.

(6) Execute on behalf of the city all legal and other written documents requiring execution by the chief executive officer of the city, acknowledge the same if necessary, and perform all other acts and duties required of the chief executive officer of the city.

(7) Perform such other duties as may be required of him by this charter, by general law, or by order of the council not inconsistent with this charter or with general law.

The manager may by letter filed with the city clerk designate some qualified administrative officer of the city to perform the duties of the manager during his temporary absence or disability. If the manager fails to make such designation, the council may by resolution appoint an officer of the city to act for the manager during his absence or disability.

SECTION 9. CITY CLERK.

The Council shall appoint a resident of the city to serve as city clerk at the will and pleasure of the council. Except as otherwise provided in this charter and subject to the supervision of the city manager, the clerk shall have the power and it shall be his duty to:

(1) Give notice of and attend all meetings of the council, keep the journal of its proceedings, authenticate by his signature and record in full in a book kept for the purpose all ordinances and resolutions of the council, prepare and keep up to date an index of all such ordinances and resolutions, and keep all such records available for public inspection when not in use.

(2) Make and certify copies of any ordinance, resolution or order of the council whenever required to do so, and affix the corporate seal of the city to any paper required to be sealed and to any certified copy of any paper, order or proceeding which he may make.

(3) Prepare and cause to be served all notices required to be given to any person, firm or corporation, and after the proper service and return of any notice he shall file and preserve the same.

(4) Have custody of and keep available for public inspection the permanent records of the city and file and properly index all records of such city officers and departments as the city manager may direct.

(5) Perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 10. POLICE COURT AND JUDGE; JURISDICTION; PRACTICE AND PROCEDURE.

The police court now existing shall be continued and shall have criminal jurisdiction over violations of city ordinances and the criminal jurisdiction of a justice of the peace with respect to offenses committed within any territory within or beyond the city limits over which the city has police jurisdiction under provisions of general law. The sessions of the court shall be held at such times and places as the council by ordinance or resolution may direct.

The judge of the police court shall be a resident of Harrison County and a member in good standing of the Harrison County Bar. He shall be appointed by the city manager to serve for an indefinite term. In the event of the temporary absence or disability of the regular judge, the city manager shall appoint some other qualified person to serve as judge of the police court. During the period of such temporary service the salary of the regular judge shall be transferred and paid to the temporary judge, except that both shall be paid during the customary vacation period granted to the regular judge.

The judge shall issue warrants upon complaint under oath of any person or officer for the arrest of anyone charged with any offense within the jurisdiction of the police court. He shall try and determine all cases over which the court has jurisdiction, and within the limits prescribed by ordinance or by law shall punish by fine or imprisonment, or both, any person convicted of any offense. He shall have power to summon witnesses for the trial of any case before him, to compel the attendance of police officers of the city, to require of the chief of police the enforcement of all judgements or orders entered by him in the exercise of his powers as police judge, and to issue executions for all fines,

penalties and costs imposed by him. The proceedings for the recovery of fines of for the enforcement of penalties fixed by any ordinance or law shall conform to the regulations, so far as they are applicable, prescribed by general law for civil proceedings before justices of the peace. The police judge, however, for good cause shown by affidavit, may order by an indorsement upon the summons that any defendent be arrested and brought before the court to be dealt with according to law.

All processes and orders of the police court shall be signed by the police judge and shall be directed to the chief of police, to be executed by him or by one of his subordinates. The police officer executing any such process or order shall have the same powers, be governed by the same rules of law and be subject to the same liabilities as sheriffs in the performance of like services. There may be charged for the services of such officer the same fees as the sheriff is entitled to charge for like services, but no such charge shall be made against the city. All such fees as well as all fines and penalties imposed by the court shall be collected by the chief of police, and accounted for and paid by him into the treasury of the city.

In the discharge of his duties and in the trial of cases the judge of the police court shall follow the rules prescribed by law for criminal proceedings before a justice of the peace, except that all cases shall be tried by the judge without a jury. The judge shall keep a record of all warrants issued by him, of all persons arrested and brought before him, and of all trials, fines or sentences imposed, or judgments entered by him, in a permanent book to be known as the police court docket. A record of all entries made in the docket each day shall be signed by the judge at the close of the day.

In cases where the evidence discloses such a violation of the laws of the state that in the opinion of the police judge the person accused should be committed to await action by the grand jury, the judge shall have the same jurisdiction and power as a justice of the peace in regard to the apprehension, commitment and admission to bail of the person so accused.

A person convicted in the police court shall have the same right to an appeal and a trial de novo as is provided by law for appeals from justice of the peace courts.

SECTION 11. CITY ATTORNEY.

The city attorney shall be a resident of Harrison County and a member in good standing of the Harrison County Bar. He shall be appointed by the city manager to serve for an indefinite term. He shall perform all duties and exercise all powers which shall be conferred upon him by any ordinance or resolution of the council and, except as otherwise provided in this charter, he shall have the power and it shall be his duty to:

(1) Act as legal adviser and counsel for the city council and for all administrative boards and officers thereof with respect to their official duties. Upon request, he shall furnish to the city council or to such officers a written opinion upon any question concerning their respective powers and duties.

(2) Prosecute and defend all suits for or against the city, and prepare all ordinances and all contracts, bonds or other writings in which the city is concerned, and endorse on each his approval of the form and correctness thereof.

(3) Prosecute all cases brought before or appealed from the police court, and perform the same duties so far as they are applicable thereto as are required by law of prosecuting attorneys.

Whenever the exigencies of the business of the city require such action, the city manager shall have the right to employ special counsel to assist the city attorney.

SECTION 12. ADMINISTRATIVE OFFICES AND DEPARTMENTS.

There shall be in the city government a police department, a fire department, a department of public works, a department of finance, and such other administrative departments as now exist or may by ordinance be created by the council. The city manager shall appoint as the head of each department a chief, supervisor or director, who shall be responsible for the efficient administration of the department, subject to the supervision and control of the manager. Except as otherwise provided by this charter or by general law, the head of a department need not be a resident of the city or state at the time of his appointment, but during his tenure of office shall reside in Harrison County.

The council may by ordinance create, combine, change or abolish offices, departments or agencies, other than those established by this charter. Except as otherwise provided in this charter, the council may assign additional functions or duties to any office, department or agency created by it or by this charter, but may not discontinue or transfer any function or duty assigned by this charter to any particular office, department or agency.

SECTION 13. CHIEF OF POLICE.

The chief of police shall be appointed by the city manager to serve for an indefinite term. The chief of police shall be a resident of the state and shall be a person of proved executive and administrative ability, with experience or training in law enforcement. Subject to the direction and control of the city manager, the chief of police shall be responsible for the supervision and administration of the police department, and shall require of all police officers the proper discharge of their duties. He shall see to the protection of property and the preservation of peace, order and public safety throughout the city, and to that end he shall cause all violators of city ordinances and of general law to be apprehended and brought to trial before the police court or other proper tribunal. Under the direction of the city manager, he shall also perform such other duties as may be required of him by this charter, by general law or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 14. CHIEF OF FIRE DEPARTMENT.

The chief of the fire department shall be appointed by the city manager to serve for an indefinite term. The chief of the fire department shall be a person of proved executive and administrative ability, with experience or training in the suppression and prevention of fires. Subject to the direction and control of the city manager, the chief of the fire department shall be responsible for the supervision and administration of the fire department, and shall require of all firemen the proper discharge of their duties. He shall make such inspections of buildings and property throughout the city as may be necessary to discover fire hazards, shall take all proper measures to eliminate such hazards, and shall keep an accurate record of all fires, inspections and fire hazards within the city. Under the direction of the city manager, he shall also perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 15. DIRECTOR OF PUBLIC WORKS.

The city manager shall appoint a director of public works, who shall be a registered civil engineer, to serve for an indefinite term. Subject to the direction and control of the city manager, the director of public works shall be responsible for the supervision and administration of the department of public works.

In addition, except as otherwise provided in this charter and subject to the supervision of the city manager, he shall have the power and it shall be his duty to:

(1) Inspect the construction or repair of all buildings, the installation of all electrical wiring or equipment, and the installation of all plumbing, to the extent that such activities are controlled or regulated by the city, for the purpose of seeing that all city regulations are obeyed.

(2) Issue permits for the construction or repair of homes and other buildings upon the payment of such fee as may be fixed by council, but he shall issue no such permit unless the proposed construction or repair is in conformity with city zoning laws and regulations.

(3) Supervise all work done by any contractor for the city while the work is being performed.

(4) Make surveys, fix grades, and prepare plats, plans and specifications for all improvements which may be undertaken by the city, when required to do so by the city manager.

(5) Furnish on the demand of any resident the grade of any street or sewer upon the payment of such fee as may be fixed by council.

(6) Make complete maps of all streets, alleys, lanes, parks and public property owned by the city, keep such maps on file in his office and available for public inspection, and furnish a copy thereof to the city manager.

(7) Require that all pavements, sidewalks, curbs, gutters and sewers in the city are kept clean and repaired.

(8) Perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 16. DIRECTOR OF FINANCE.

The city manager shall appoint a director of finance, who shall be a person experienced in accounting and budgeting, to serve for an indefinite term.

Under the direction and control of the city manager and subject to the provisions of this charter, the director of finance shall be responsible for the proper adminstration of the financial affairs of the city, and except as otherwise provided by this charter or by general law shall have the power and shall be required to:

(1) Collect all taxes, special assessments, license fees and other revenues of the city, and receive all other moneys payable to the city.

(2) Have custody of all funds of the city or of any office, department or agency thereof, and deposit such funds in the bank or banks designated by the council.

(3) Supervise the purchase, storage and distribution of all equipment and supplies used by any office, department or agency of the city.

(4) Supervise the receipt and disbursement of all moneys and control all expenditures to ensure that budget appropriations are not exceeded. No proposed

expenditure shall be made unless the director of finance shall certify that there is available for the purpose an unencumbered balance in the proper item of appropriation.

(5) Maintain a general accounting system for the city and each of its offices, departments and agencies, and keep a separate account for each item of appropriation in the budget, showing the total appropriation, the amounts paid therefrom, the unpaid obligations charged thereto, and the unencumbered balance.

(6) Prepare for submission to the council by the city manager a cumulative monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the city and each of its offices, departments and agencies.

(7) Prepare for submission to the council by the city manager a complete financial statement and report as of the end of each fiscal year.

(8) Compile for use by the city manager in the preparation of the budget an estimate of anticipated revenues during the coming year and an estimate of probable expenditures for current expenses and capital improvements.

(9) Perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 17. BUDGET AND BUDGET MESSAGE; PUBLIC HEARING; ADOPTION AND REVISION.

The fiscal and budget year of the City shall begin on the 1st day of July and shall end on the 30th day of June of each calendar year. The budget for each succeeding fiscal year submitted and amended as provided in this section, shall be adopted by the council not later than the 28th day of March of the then current fiscal year.

Not later than the 1st day of March of each year, the City Manager shall submit to the Council a budget for the next fiscal year, together with a budget message which shall contain an outline of the proposed financial operation of the City for the coming year, shall describe the important features of the budget plan, and shall set forth the reasons for the salient changes from the previous year in cost and revenue items. The budget prepared by the City Manager shall not cover the financial operations of the Water Department. In respect to proposed appropriations for capital improvements, there shall be included in the budget message, or attached thereto, a program and schedule of capital projects recommended by the City Planning Commission for the next five fiscal years. A copy of the budget and budget message, and all supporting documents, shall at the same time the budget is submitted to the Council be filed with the City Clerk as a public record, and shall be available for inspection by any interested person.

The budget shall provide a complete financial plan for the budget year, including any estimate of any anticipated surplus at the beginning of the year, an estimate of anticipated revenues from all sources during the year, and a detailed estimate of proposed appropriations for expenditure during the year by each office, department, and agency of the City. The total of appropriations of the budget as submitted by the Manager or as adopted by the Council shall not exceed the sum of estimated revenues and surplus.

At a regular or special meeting of Council between the 7th and 28th days of March of each year, there shall be a public hearing on the proposed budget, at which time all interested persons shall be given an opportunity to be heard for or against any estimate of revenue or any item of appropriation contained therein. At said meeting, Council shall ascertain the fiscal condition of the corporation, and make an itemized statement setting forth:

(1) The amount due and the amount that will become due and collectible from every source during the current fiscal year except from the levy of taxes to be made for the year;

(2) The interest, sinking fund and amortization requirements for the fiscal year of bonded indebtedness, legally incurred upon a vote of the people as provided by law, prior to the adoption of the tax limitation amendment;

(3) Other contractual indebtedness, not bonded, legally incurred prior to the adoption of the tax limitation amendment, owing by the Municipality;

(4) All other expenditures to be paid out of the receipts of the Municipality for the current fiscal year with proper allowance for delinquent taxes, exonerations, and contingencies;

(5) The toal amount necessary to be raised by the levy of taxes for the current fiscal year;

(6) The proposed rate of levy in cents on each one hundred dollars assessed valuation of each class of property; and

(7) The separate and aggregate assessed valuations of real, personal and public utility property in each class in the Municipality.

The Recording Officer of the Municipality shall forward immediately a certified copy of the statement to the Tax Commissioner, and shall publish the statement forthwith. The session shall then stand adjourned until the 3rd Tuesday in April, at which time it shall reconvene.

The Council shall, when it reconvenes upon the 3rd Tuesday in April, hear and consider any objections made orally or in writing by the City Attorney, by the Tax Commissioner or his representative, or by any taxpayer of the City, for the estimate and proposed levy, or to any item thereof. Council shall enter of record any objections so made and the reasons and grounds therefor. The Council, after hearing objections, shall reconsider the proposed original estimate and proposed rates of levy, and if the objections are well taken, shall correct the estimate and levy. No such estimate and levy, however, shall be entered until the same shall have first been approved, in writing, by the Tax Commissioner. When the same shall have been approved by the Tax Commissioner, the Clerk shall then enter the estimate and levy, together with the order of the Council approving them and the written approval of the Tax Commissioner thereof, in the proper record book.

In addition to the provisions set forth herein, Council shall be subject to the requirements contained in Chapter 11, Article 8, Section 1, et seq. of the West Virginia Code, as amended, as the same may apply to municipal corporations.

After the beginning of the fiscal year, the Council shall make only such changes in the budget as may be required because of action taken by the State Tax Commissioner in respect to the proposed tax levy of the City or as may be permitted or required by general law. Thereafter, the Council shall make no other changes in the budget unless permitted or required to do so by general law. After the final adoption of the budget, the several amounts stated therein as proposed appropriation shall be appropriated to the specified objects and purposes. Except as otherwise provided by general law, the City Manager may at any time transfer any unencumbered appropriation balance of an appropriated line item from that line item to another line item with the same account category established by the State Tax Commissioner, subject to the approval of City Council. No transfers from one account category to another may be made without revision of the budget and approval by the Tax Commissioner pursuant to Chapter 11, Article 8, Section 1, et seq.

For the purposes of accounting for the budget, the modified accrual basis of accounting will be used, or any other basis of accounting required by the State Tax Commissioner. The ending unencumbered balance at the end of the fiscal year shall be the starting unencumbered balance for the new fiscal year.

In addition to the foregoing, Council and the City Manager shall comply with all applicable federal and state laws which in any way relate to the governing of the financial affairs of a municipal corporation.
(Amended 6-1-93)

SECTION 18. BONDS OF OFFICERS AND EMPLOYEES; AUDITS AND ACCOUNTS.

The chief of police and every member of the police department, and every officer and employee of the city into whose custody or control shall come any of the moneys or funds of the city shall before entering upon the discharge of his duties give a bond with corporate surety conditioned upon the faithful discharge of his duties and the faithful accounting for all moneys or funds coming into his hands by reason of his office or employment. The amount of the bond shall be fixed by resolution of the council or, in the case of officers and employees of the water department, by resolution of the water board. As required by law, all

bonds shall be payable to the state of West Virginia and shall as to form and substance be subject to the approval of the city attorney, evidenced by his signed endorsement on each bond. All bonds when executed and approved shall be recorded in a book kept for that purpose by the city clerk, who is hereby made custodian of all such bonds. At the annual audit made by the state tax commissioner, the auditor shall report to the city council and to the water board respectively whether the required bonds are in any respect insufficient, and may require of any official or employee a new or additional bond. Any new or additional bond so required shall be given within thirty days after notice of such requirement, and a failure to give such bond shall at the expiration of thirty days work a forfeiture of the office or employment of the official or employee failing to give the same. The premium on all bonds given as provided in the section shall be paid from the appropriate fund of the city.

The council by resolution shall provide for such system of collecting, disbursing, budgeting, auditing, accounting and record-keeping, not inconsistent with other provisions of this charter, as may in its opinion be necessary or desirable.

In addition to the regular annual audit made by the state tax commissioner, the council may at any time it is deemed necessary employ qualified public accountants to make a special independent audit of the finances of the city or of the accounts of any city officer, department or agency, other than the accounts of the water board.

SECTION 19. BOARD OF PARK COMMISSIONERS; SUPERINTENDENT OF PARKS AND RECREATION.

The board of park commissioners heretofore created and now existing shall be continued. As authorized under the provisions of chapter ninety-one, acts of the legislature, regular session, one thousand nine hundred thirty-nine, as amended, the city council shall by ordinance provide that the board shall consist of five members, and shall also provide that the members shall be appointed by the council. Of the four members first appointed after the membership has been increased from three to five, two shall be appointed for terms of two years and two for terms of six years. Thereafter all appointments shall be for terms of six years. The members of the board in office on the date this charter becomes effective shall, unless sooner removed, continue to serve until their respective terms expire and their successors have been appointed.

The board shall have the powers and shall perform the duties conferred and required by general law. More particularly, the board shall be charged with the responsibility of providing public parks, playgrounds, athletic fields, swimming pools and other recreational facilities, and of providing an adequate recreational program for the inhabitants of the city. The board shall appoint a superintendent of parks and recreation, who shall be a person of proved executive and administrative ability, with experience or professional training in physical education and community recreation. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside in Harrison County.

The council shall provide and allocate in the annual city budget sufficient funds for the operation and maintenance of an adequate system of city parks and recreational facilities and of an adequate recreational program.

As provided by law, the board may in its own name accept and disburse any funds it may receive by gift, bequest or devise for park or recreational purposes.

SECTION 20. BOARD OF DIRECTORS OF PUBLIC LIBRARY.

The Board of Directors of the public library heretofore created and now existing shall be continued. The members of the Board in office on the date this Charter as amended becomes effective, shall unless sooner removed, continue to serve until their respective terms expire and their successors are appointed. The five members of the Board shall be appointed in

accordance with the provisions of Chapter 10, Article I of the Official Code of West Virginia as amended. Future appointments to the Board of Directors of the Public Library shall be made as follows: The Harrison County Commission shall appoint a person to a five-year term beginning July 1, 1983, and such person so appointed shall reside outside the city limits of the City of Clarksburg; the Clarksburg City Council shall appoint a person to a five-year term beginning July 1, 1984, and said person shall reside within the City of Clarksburg; the Harrison County Board of Education shall appoint a person to a five-year term beginning July 1, 1985, and said person shall reside outside the corporate limits of the City of Clarksburg. The Clarksburg City Council shall appoint a person to a five-year term beginning on July 1, 1986 and July 1, 1987, and such person shall reside within the corporate limits of the City of Clarksburg, West Virginia.

The Board of Directors shall have the powers and shall perform all the duties conferred and required by general law.

The Clarksburg City Council, the Harrison County Commission and the Harrison County Board of Education shall jointly provide sufficient funds in their respective budgets for the adequate operation, maintenance and repair of the Clarksburg-Harrison County Public Library, and transfer such funds to the Board of Directors.

The Board shall be known as the Clarksburg-Harrison County Public Library.

This charter amendment will not become effective until formal action is taken by the Harrison County Commission and the Harrison County Board of Education agreeing to join with the City of Clarksburg in creating the new Clarksburg-Harrison County Public Library Board. (Ord. 83-17. Passed 7-21-83.)

SECTION 21. CITY PLANNING COMMISSION; ZONING COMMISSION AND BOARD OF ADJUSTMENT.

The council shall provide for the establishment and the financial support of a city planning commission as provided in article five, chapter eight of the official code of West Virginia, as amended. The commission shall be composed of eleven members, who shall be nominated by the city manager and confirmed by the council. The members of the commission shall be freeholders of the city. The commission shall have the powers and shall perform the duties prescribed by general law. It shall be the responsibility of the commission to prepare comprehensive plans for the future development of the city, including recommendations concerning needed streets, bridges, parks, parkways, playgrounds, public buildings, and other public improvements. Such plans and recommendations shall be submitted to the city manager and to the council and other appropriate agencies of the city for such action as the council or other agencies may deem proper. In addition, the commission shall submit annually to the city manager, not less than ninety days prior to the beginning of the budget year, a list of recommended capital improvements which in the opinion of the commission are necessary or desirable to be constructed during the forthcoming five-year period. Such list shall be arranged in order of preference, with recommendations as to which projects shall be constructed in which year.

The planning commission shall also act as the zoning commission and as such shall have the authority and shall perform the duties prescribed by general law, including the authority and duty to prepare and recommend to council for enactment any revisions or amendments of the city zoning ordinance it may deem advisable. The council shall in the manner prescribed by law provide for a board of adjustment which shall hear all appeals arising in connection with the enforcement of the city zoning ordinance.

SECTION 22. PUBLIC HEALTH UNIT.

The city council either by itself or in conjunction with one or more other political subdivisions shall in the manner provided by law establish and maintain a public health unit. The public health unit so established shall have the powers and shall perform the duties prescribed by general law.

SECTION 23. SANITARY BOARD.

The council shall provide for the establishment of a sanitary board which shall have the powers and shall perform the duties prescribed by general law with respect to the construction, operation and maintenance of sewage disposal facilities. The sanitary board shall be composed of the city manager, who shall be the chairman of the board, and two other persons appointed by the council, one of whom shall be a registered professional engineer.

SECTION 24. PARKING AUTHORITY.

The parking authority heretofore created and now existing shall be continued. The parking authority shall have the power and the responsibility to establish, operate and finance automobile parking facilities for the city, as provided in article four-a, chapter eight of the official code of West Virginia, as amended.

SECTION 25. THE WATER BOARD; CONTINUANCE; QUALIFICATIONS, TERM OF OFFICE, AND SALARY OF MEMBERS; SELECTION OF PRESIDENT; VACANCIES.

The water board of the city in existence on the date this charter is adopted shall be continued. The water board shall consist of three members to be elected at large by the qualified voters of the city for terms of four years beginning on the first day of July following their election. The terms of office of all members of the water board in office on the date this charter is adopted shall continue unitl the close of business on the thirtieth day of June following the date on which their terms of office would otherwise expire. At the first election held under the provisions of this charter one member of the water board shall be elected. At each regular election thereafter either one or two members of the board, as the case may be, shall be elected to succeed the incumbent member or members whose term of office expires on the thirtieth day of June following the election.

Members of the water board shall be qualified voters of the city, shall have been residents of the city for at least one year prior to their nomination for the office, shall hold no other public office except that of notary public or member of the National Guard or naval or military reserve, and shall not be employed by the city in any capacity. If a member of the board shall cease to be qualified or shall be convicted of any crime involving moral turpitude, his office shall immediately become vacant.

A special meeting of the water board shall be held at 7:30 P.M. on the first day of July following each regular city election. Following the selection of a temporary chairman, the newly elected member or members of the water board shall first be inducted into office. The board shall then elect one of its members to serve as president for a term of two years.

The salary of each member of the water board shall be twenty dollars for each meeting of the board attended by him, not to exceed five hundred dollars in any fiscal year. Until the maximum limit is reached, the salary of each member shall be paid monthly as earned.

If any vacancy occurs on the water board, the board shall within thirty days appoint a qualified person to fill the vacancy for the unexpired term. If the vacancy is not so filled within thirty days after it occurs, then of the unsuccessful candidates for the office of member of the water board at the last election, who are still qualified and willing to serve, the one who received more votes than any of the others shall be entitled to the office. If the vacancy is not filled by either of these methods, it shall be filled at a special election to be

held on a date not more than four months after the vacancy occurs. In the resolution calling the special election, the council shall specify procedures for the conduct of the election, and dates for the circulation and filing of nominating petitions and for the holding of the election, which shall conform as nearly as may be practicable to the procedures and schedule established by this charter for regular city elections.

SECTION 26. MEETINGS OF THE WATER BOARD; RULES OF PROCEDURE; JOURNAL.

Regular meetings of the water board shall be held at least twice each month, on such days and at such times as the board may by published resolution prescribe. Special meetings may be held at any time upon call by the president or any two members and upon such notice as the board may by rule prescribe. All meetings of the board shall be open to be public.

Two members of the board shall constitute a quorum. The president shall be entitled to vote on all matters before the board.

The board shall by resolution adopt by-laws prescribing its own rules, procedure, and order of business, and shall keep a journal of all of its proceedings, which shall be available for public inspection.

SECTION 27. GENERAL POWERS OF THE WATER BOARD.

All of the powers now or hereafter conferred upon municipalities by the laws of the state for the operation of a water system, and all powers and duties of the city pertaining to the construction, acquisition, establishment, improvement, operation, management, maintenance, and repair of the municipal water system, and the determination of all matters of policy with respect thereto, are vested in and shall be exercised by the water board. The water board shall have full and exclusive jurisdiction of the exercise and discharge of such municipal powers so conferred upon it, independent of control by the council and the city manager. The city council shall upon request of the water board enact such ordinances, enter such or-orders, and adopt such resolutions as may be required by law in connection with the issuance of any water works revenue bonds, the acquisition by purchase or condemnation of any property needed for the proper operation of the water department, or the transaction of any other business of the water board.

In addition to the general powers mentioned in the preceding paragraph, and without any limitation upon such powers, the water board subject to provisions of general law shall have the following authority and shall perform the following duties:

(1) Fix, regulate and change rates and charges for water supplied to all consumers; adopt and prescribe reasonable rules and regulations which shall be observed by all consumers in reference to the use and consumption of water taken from the city mains, the terms and conditions upon which connections to the mains shall be permitted, and the place and manner of making the same; fix penalties by way of additional charges for failure to pay water bills promptly, and to this end the board may discontinue the supply of water to any consumer who fails to pay for the same as required; require all users of water for temporary purposes to pay for the privilege in advance; refuse to furnish water to any building or habitation unless the owner thereof shall assume liability for the payment of the charges for the water so furnished, and charge to and collect from the owner the cost of water furnished to any tenant or occupant of such building or habitation not paid for by the tenant or occupant; charge the cost of installing water service lines from the curb line to the main against the landowner, and require

payment in advance for installing and connecting such line with the water main. The powers of the water board to fix and charge rates for water and water service and to make rules and regulations governing the supply of such water and water service shall be subject to the supervision, regulation and control of the Public Service Commission of the state to the extent and in the manner now or hereafter prescribed by general law.

(2) Whenever the city council shall determine to pave or repave any street in the city, the water board is authorized to make a proper connection and lay a water service line from the main to the curb for each and every lot or for any part of a lot under separate ownership, although no water service may, at any time be necessary or required for any such lot or part of lot, and to charge the cost of making such connection and laying such water service line against the owner of the property. The cost of laying such water service lines and making such connections shall in every instance be a lien upon the lot or part of lot to be benefited thereby, and the water board shall have the right, in the name of the city, to institute and prosecute any proper suit in the circuit court of Harrison County for the collection of such charges by a sale of the property on which the same constitutes a lien. Whenever the council decides to pave or repave any street, it shall be the duty of the water board to lay necessary water mains and service lines as soon as may be practicable in order not to delay the paving program. In order to coordinate the making of such improvements it shall be the duty of both the council and the water board to cooperate with each other in making plans for such improvements or repairs, and to keep each other informed concerning future needs and plans.

(3) The board shall have power from time to time to repair, extend and amplify the water works plant and system, and to make such additions to the pumping station, filtration plant and water mains and lines as may at any time be deemed necessary for the proper operation of the system.

(4) The water board shall require the general manager to examine the sources of water supply for the city and to report to the board from time to time whether the waters are being polluted. The water board may, in the name of the city, institute and prosecute in any court having jurisdiction any legal action, civil or criminal, necessary to enjoin any person, firm or corporation from continuing any nuisance caused by such pollution or to prohibit the violation of any city ordinance or of any provision of general law concerning pollution or concerning the protection of the city water supply.

(5) Whenever the city shall in the manner prescribed by law provide for the imposition of a sewage service charge based on the consumption of water upon the customers of the water department, it shall be the duty of the water board to add the charge to the water bills and collect the same. All sewage charges collected by the water board shall be accounted for monthly and paid into the operating fund of the sanitary board. The sanitary board shall pay any additional cost incurred by the water board in the collection of sewage charges.

SECTION 28. APPOINTMENT AND TENURE OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The water board shall appoint a general manager of the water department to serve for an indefinite term, and may at any time remove him from office by the affirmative vote of not less than two of its members. At least thirty days before such removal shall become effective, the board shall adopt a preliminary resolution stating the reasons for his removal and specifying the date on which his removal shall become final. At any time within ten days after the adoption of such resolution, upon the written request of the manager, he shall be afforded an opportunity to be heard at a public meeting of the board, which shall be held no earlier than ten nor later than twenty days after the request was made, and at a time and place to be fixed by the water board. After such public hearing if one is requested, and after full consideration, the board by affirmative vote of two if its members may adopt a final resolution of removal. By the preliminary resolution the board may suspend the manager with pay for a period not to exceed thirty days, and may designate some other person to perform the duties of the manager during the period of his suspension.

The general manager shall be a person of proved executive and administrative ability, preferably with experience and training in the management of a water or other utility system. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside in Harrison County. No member of the water board, during his term and for a year thereafter, shall be eligible for appointment as general manager of the water department.

Neither the water board nor any of its members shall direct or in any manner interfere with or obstruct the appointment or removal of any employee by the general manager or by any of his subordinates. Except for the purpose of inquiry, the board and its members shall deal with the employees of the water department solely through the general manager and shall give no orders to such employees, either publicly or privately. If any member of the board shall violate the provisions of this section, he shall be subject to removal from office in the manner provided for the removal of municipal officers in section seven, article six, chapter six of the official code of West Virginia, as amended.

SECTION 29. POWERS AND DUTIES OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The general manager of the water department shall be the administrative authority of the city insofar as the water department is concerned. He shall be ex officio the secretary and treasurer of the water board, and shall devote all of his time to his official duties. He shall be responsible to the board for the proper and efficient administration of the water department, and to that end he shall have power and shall be required to:

(1) Appoint and, when he deems it necessary or advisable, remove all employees of the water department, except as he may authorize such appointment and removal by his subordinates.

(2) Prepare the annual budget of the water department, submit it to the board for adoption, and be responsible for its administration after adoption.

(3) Prepare and submit to the board as of the end of each fiscal year a complete report on the finances and the administration of the department for the preceding year.

(4) Advise the board with respect to future plans and physical needs of the water department, and keep it informed concerning the current financial condition of the department.

(5) Enforce, or cause the enforcement of, all city ordinances and all laws of the state applicable to the water system, and of all rules and regulations of the water board.

(6) Prepare and cause to be served all notices required to be given to any person, firm or corporation in connection with any activity or business of the water board, and after the proper service and return of any notice he shall file and preserve the same.

(7) Collect all revenues of the water department, deposit them in the bank or banks designated by the water board, and disburse them upon such requisition or order as the board may prescribe.

(8) Supervise the purchase, storage and distribution of all equipment and supplies for the water department.

(9) Make and keep up to date, and place on file for public information at the office of the water board, complete maps, plans and details showing the dams, pumping stations, reservoirs, tanks, pipes, valves, connections, water lines, fire hydrants, and all other data necessary to show all the physical properties of the water department.

(10) Attend all meetings of the water board, give notice of its meetings, keep the journal of its proceedings, and keep or cause to be kept full and accurate record books and books of account covering all the business and transaction of the water department, all of which shall be available for public inspection.

(11) Execute on behalf of the water board all legal and other written documents requiring execution by the chief executive officer of the board, acknowledge the same if necessary, and perform all other acts and duties required of the chief executive officer of the board.

(12) Perform such other duties as may be required of him by this charter, by general law, or by order of the board not inconsistent with this charter or with general law.

The general manager may by letter filed with the president of the board designate one of his subordinates to perform the duties of the general manager during his temporary absence or disability. If the manager fails to make such designation, the board may by resolution appoint an employee of the water department to act for the manager during his absence or disability.

SECTION 30. EMPLOYMENT OF COUNSEL BY WATER BOARD; AUDITS AND ACCOUNTS.

The water board may employ legal counsel to assist and advise it in the discharge of its duties, and to represent it and the city in all litigation conducted by the water board in connection with the exercise of its powers and the transaction of its business. The cost of all such litigation, including any judgment or decree against the water board in the name of the city, as well as all fees and compensation for counsel employed by it, shall be paid out of the revenues of the water board.

The water board by resolution shall provide for such system of collecting, disbursing, budgeting, auditing, accounting and record-keeping, not inconsistent with other provisions of this charter, as may in its opinion be necessary or desirable.

In addition to the regular annual audit made by the state tax commissioner, the board may at any time it is deemed necessary employ qualified public accountants to make a special independent audit of the finances of the water board or of the accounts of the general manager or any other employee of the water department.

SECTION 31. APPLICATION OF FUNDS OF WATER BOARD.

All revenues derived from the operation of the water department, from the sale of water works bonds, or from the sale by the water board of any of its property, shall be applied by the water board solely for the payment of expenses incurred in the exercise of authority or in the discharge of duties imposed on the board by this charter or by general law, for the payment of the cost of operating, improving, and managing the water system, and for the payment of principal, interest and sinking fund requirements necessary for the discharge of any water works bonds heretofore or hereafter issued.

SECTION 32. CONTRACTS AND PURCHASES.

All contracts and purchases by any City officer, department or agency shall be void unless made in conformity with all applicable provisions of general law, this Charter, and with all rules and regulations fixed by ordinance, from time to time, concerning a dollar amount for which competitive bids shall be required for contracts for improvements or purchases of materials, supplies and equipment.

In the case of contracts for the construction of any improvements in which competitive bids shall be required, sealed competitive bids shall be obtained by notice published at least once each week for two successive weeks in two newspapers of opposite politics published in the City. The notice shall refer to necessary specifications and plans, shall invite the submission of bids, and shall specify the date on which the bids will be opened. In the case of contracts or purchases of supplies, materials and equipment or personal services, sealed competitive bids shall be obtained either (a) by published notice inviting bids as in the case of contracts for the construction of improvements, or (b) by mailed notice stating the necessary specifications, inviting the submission of bids, and stating the date on which the bids will be opened. The first of these methods shall be used unless the Council or Water Board, as the case may be, shall enter an order of record authorizing the use of the second method and stating the reasons why such method was authorized. Whether or not it is so stated in the published mailed notice, all bids may be rejected. No City officer, department or agency shall subdivide any contract or purchase for the purpose of evading the requirements of this section with respect to competitive bidding.

The Water Board with respect to any improvements, extensions or additions to the water system, and the Council with respect to City improvements under its jurisdiction, shall cause to be prepared accurate and complete maps, plans and specifications therefor and shall have the authority to cause such work to be done either by the employment of labor and the furnishings of material, or by entering into a contract for the performance of the labor and for the material. If a contract is let for any improvement, the Water Board or the Council, as the case may be, shall require the contractor to give a sufficient bond with corporate surety to guarantee the faithful performance of the contract and the payment for all labor performed and all materials furnished in the performance of the contract, as provided in section thirty-nine, article two, chapter thirty eight of the official code of West Virginia, as amended. Any change or alteration in the contract after it is entered into shall be made only upon resolution passed by the Water Board, or the Council, as the case may be, and shall not be effective until the price to be paid for the work and material, or both, under the altered or modified contract, shall have been agreed upon in writing and such agreement signed by the contractor and the general manager with the approval of the Water Board, or the City Manager with the approval of the Council, as the case may be.

The Water Board with respect to contracts and purchases of the Water Department, and the City Council, with respect to contracts and purchases of other City offices, departments and agencies, may by resolution prescribe additional rules and regulations governing the making of contracts and purchases, not inconsistent with general law or with the provisions of this Charter.

In the case of an emergency the City Council or Water Board, as the case may be, may by special resolution setting forth the facts constituting the emergency dispense with the requirement of competitive bidding and with the requirements of its rules and regulations governing contracts and purchases.

Any officer or employee of the City who shall be directly or indirectly interested in any contract with the City, or in the profits to be derived thereform, shall forthwith forfeit his office or employment, and in addition thereto any such contract shall be void and uneforceable against the City. The acceptance by any officer or employee of any interest in such contract or of any gift or gratutity from any person, firm or corporation dealing with the City which might influence the officer or employee and in the discharge of his duties shall forever disqualify such officer or employee from holding any office or employment in the City government, and in addition he shall be subject to criminal prosecution as provided by general law or by City ordinance. (Amended February 18, 1982)

SECTION 33. STATUS OF EXISTING OFFICERS AND EMPLOYEES.

Every person holding an appointive office or employment in the city government on the effective date of this charter shall retain the same or the similar office or employment hereunder, pending action by the competent authority of the city having the power appointment and removal with respect to such office or position. At any time within four months after the effective date of this charter, the city manager and the general manager of the water department in office on that date shall be subject to replacement by the council and by the water board, respectively, without regard to the removal provisions of sections seven and twenty-eight of this charter.

SECTION 34. DISCRIMINATORY PRACTICES PROHIBITED.

No person holding any appointive office or employment in the service of the city, or seeking appointment thereto, shall be appointed, promoted, demoted or removed, or in any way favored or discriminated against because of political opinions or affiliations, or because of race, color or religious beliefs.

SECTION 35. SOCIAL SECURITY.

The city council, the water board, and every other board or commission provided for in this charter, or hereafter created by council pursuant to general law, shall in the manner prescribed by law provide social security coverage for all eligible city officers and employees.

SECTION 36. OATH OF OFFICE.

Before taking office every officer of the city and the head of each administrative department shall take the oath of affirmation required by section five, article four of the constitution of the state.

SECTION 37. ELECTIONS.

Regular city elections shall be held on the first Tuesday in June, one thousand nine hundred fifty-seven, and on the first Tuesday in June of every second year thereafter. Special elections shall be held at such times as may be fixed by the council in accordance with the provisions of this charter and of general law.

The ballot to be used in city elections shall be prepared by the council and shall have set forth thereon in one division the names of all properly nominated candidates for election to membership on the council, and in another division the names of all properly nominated candidates for election to membership on the water board. In the printing of the ballots, the position of the names of the candidates shall be in like manner as is provided by general law for the printing of official primary ballots. The ballots shall state that the election is non-partisan and shall clearly indicate the number of candidates for each office for whom the voter is entitled to vote. At least ten days before the election a sample ballot showing the names of all properly nominated candidates shall be published once in two newspapers published in the city in the same manner as is provided by law for the publication of the list of nominations in a general election.

Except as otherwise provided in this charter, city elections shall be conducted and the result determined and certified in accordance with the provisions of general law with respect to primary, general and special elections, so far as they are applicable, except that the duties devolving upon the county court and the clerk thereof under the general laws for conducting elections shall be performed by the city council and the city clerk. The council shall appoint three commissioners and two clerks to serve as election officials in each precinct in the city. At least three days before the date of the election the city clerk shall procure from the clerk of the county court the necessary registration records and other election supplies and shall deliver them together with the ballots to the election officials. The election officials shall as soon as possible after the closing of the polls on election day return to the city clerk the ballots, tally sheets, certificates of the result of the election, registration records, ballot boxes and other election supplies. On the first Monday following the election the council shall canvass the returns of the election and declare the result. In the case of a contest the council shall be the judge of the election and qualifications of all city officials.

The cost incurred in holding and conducting regular city elections, after deducting all nomination fees received in connection therewith, shall be paid one-half out of the general city revenues and one-half out of the revenues of the water board. The costs of conducting special elections shall be paid out of general city revenues, except that the cost of any special election held at the request of the water board shall be paid out of its revenues.
(Amended 6-1-93)

SECTION 38. CANDIDATES FOR CLARKSBURG CITY COUNCIL OR CLARKSBURG WATER BOARD; FILING FEE; FILING DATE.

A filing fee to be set by ordinance and candidate's signed certificate of announcement stating that he/she is a qualified voter of the City and he/she has resided therein for at least one year and that he/she declares himself/herself a candidate for election to such office of Councilman/Councilwoman of the Clarksburg City Council or Member of the Water Board and will serve if elected, shall be filed in person with the City Clerk in the office of the City Clerk, Municipal Building, Clarksburg, West Virginia, not earlier than the first day of March, nor later than 4:30 p.m. on the fifteenth day of March preceding the election. The Clerk shall make a record of the exact time each statement and fee was filed and the name and address of the person by whom it was filed. The filing dates provided herein shall be changed or amended by regular ordinance thereafter.

In case there shall not be a number of candidates for any office equal to the number of persons to be elected to such office at any election, then the Council for the office of Councilman/Councilwoman and the Water Board for the office of a member of the Water Board, shall on or before the 20th day of March preceding the election make by appropriate resolution such additional nominations of candidates to be elected to such office. The nomination of any person by such a resolution shall, however, not be complete unless the person so nominated shall within three days after his nomination pay to the City Clerk the prescribed filing fee and file with the Clerk a signed statement that he/she is a qualified voter of the City and has resided therein for at least one year before his/her nomination, and that he/she accepts the nomination and will serve, if elected.

The word announce or announcement as used herein or as used in the Clarksburg City Charter shall for the purposes of the Clarksburg City Charter be synonymous with and shall mean the same as nominate or nomination. The word nominate or nomination as used herein or as used in the Clarksburg City Charter shall for the purposes of the Clarksburg City Charter be synonymous with and shall mean the same as announce or announcement.

(Amended 6-1-93)

SECTION 39. FORM OF CERTIFICATE OF ANNOUNCEMENT; BLANK FORMS TO BE FURNISHED BY CITY CLERK.

The City Clerk shall prepare and furnish printed forms for certificates of announcement substantially in the form set forth and authorized by ordinance of the City Council.
(Amended 6-1-93)

SECTION 40. EFFECT OF CHARTER ON EXISTING ORDINANCES AND ADMINISTRATIVE RULES AND REGULATIONS.

All existing ordinances and all existing administrative rules, regulations and practices, if not inconsistent or in conflict with this charter, shall continue in full force and effect until repealed or modified by the council or other competent authority of the city. All ordinances, rules, regulations and practices that are inconsistent or in conflict with this charter shall, unless sooner repealed or modified, continue in full force and effect for a period of sixty days only, and at the end of that period shall to the extent of such inconsistency or conflict be of no further force or effect.

SECTION 41. REFERENCE TO GENERAL LAW.

A reference contained in this charter to a provision of general law shall be construed to mean the provision as it now exists or as it may hereafter be amended. Where additional sections are added to the subject matter of a provision of general law referred to in this charter, the reference shall include such additional sections.

SECTION 42. MEETINGS AND OTHER ACTS ON LEGAL HOLIDAYS.

Whenever under the provisions of this charter it is required that a meeting be held or that an act be done on a date which is a legal holiday, the meeting shall be held or the act shall be done on the next day not a legal holiday.

SECTION 43. SEPARABILITY.

The provisions of this charter shall be construed as severable, and should any provision be held unconstitutional, or for any other reason invalid, such holding shall in no way affect any other provision thereof.

SECTION 44. EFFECTIVE DATE OF CHARTER.

For the purpose of extending the terms of office of present elective officers and for the purpose of nominating candidates and conducting the first election held hereunder, this charter shall be in effect from and after the date of its adoption by the voters of the city. For all other purposes it shall be in effect on and after the first day of July next following the first election held under its provisions.

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* TERRY J. GREAVER *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 5th *day of* JUNE, ~~19~~ 2001, ELECTED AS A COUNCILMEMBER *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1st *day of* JULY, ~~19~~ 2001, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* COUNCILMEMBER *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* JULY, ~~19~~ 2001

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ...ANNETTE M. WRIGHT....., *Clerk of said City of Clarksburg, certify that* .....JAMES C. HUNT..... *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the*..5th..... *day of* .....JUNE....., XX 2001....., ..ELECTED AS A COUNCILMEMBER..... *of the City of Clarksburg, in said County of Harrison, for the term of*...FOUR.....*years, commencing on the*...1st.....*day of*.....JULY....., XX 2001....., *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* .....COUNCILMEMBER..... *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

James C. Hunt

Taken, subscribed and sworn to before me, in said City and County, on this .....1st.....*day of*.....JULY....., XX 2001.....

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* SAM "ZEKE" LOPEZ *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 5th *day of* JULY, ~~19~~ 2001, ELECTED AS A COUNCILMEMBER *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1st *day of* JULY, ~~19~~ 2001, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* COUNCILMEMBER *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Sam Zeke Lopez

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* JULY, ~~19~~ 2001

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* PATSY S. TRECOST II *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 5th *day of* JUNE, *19*XX 2001, ELECTED AS A COUNCILMEMBER *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1st *day of* JULY, *19*XX 2001, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* COUNCILMEMBER *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Patsy S. Trecost II

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* JULY, *19*XX 2001

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, Annette M. Wright, Clerk of said City of Clarksburg, certify that MARGARET BAILEY this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that she was on the 3rd day of June, 2003 elected as a Councilmember of the City of Clarksburg, in said County of Harrison, for the term of four years, commencing on the 1st day of July, 2003 and that she will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that she will faithfully discharge the duties of her office of Councilmember of the City of Clarksburg, to the best of her skill and judgment, so help her God.

Margaret J. Bailey

Taken, subscribed and sworn to before me, in said City and County on this 1st day of July, 2003.

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, Annette M. Wright, Clerk of said City of Clarksburg, certify that JO ANNE McNEMAR this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that she was on the 3rd day of June, 2003 elected as a Councilmember of the City of Clarksburg, in said County of Harrison, for the term of four years, commencing on the 1st day of July, 2003 and that she will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that she will faithfully discharge the duties of her office of Councilmember of the City of Clarksburg, to the best of her skill and judgment, so help her God.

Jo Anne McNemar

Taken, subscribed and sworn to before me, in said City and County on this 1st day of July, 2003.

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, Annette M. Wright, Clerk of said City of Clarksburg, certify that DAN THOMPSON this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the 3rd day of June, 2003 elected as a Councilmember of the City of Clarksburg, in said County of Harrison, for the term of four years, commencing on the 1st day of July, 2003 and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of Councilmember of the City of Clarksburg, to the best of his skill and judgment, so help him God.

Dan Thompson

Taken, subscribed and sworn to before me, in said City and County on this 1st day of July, 2003.

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, Annette M. Wright, Clerk of said City of Clarksburg, certify that FRANK L. FERRARI this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the 10th day of August, 2004 appointed as Interim City Manager of the City of Clarksburg, in said County of Harrison, for the term of one hundred twenty (120) days, commencing on the 10th day of August, 2004 and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of Interim City Manager of the City of Clarksburg, to the best of his skill and judgment, so help him God.

Taken, subscribed and sworn to before me, in said City and County on this 16th day of August, 2004.

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ROBERT T. FLYNN, ~~Clerk~~ Mayor *of said City of Clarksburg, certify that* ANNETTE M. WRIGHT *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that* ~~he~~ she *was on the* 6TH *day of* MAY, *19* 96, CITY CLERK *of the City of Clarksburg, in said County of Harrison, for the term of* indefinite *years, commencing on the* 6TH *day of* MAY, *19* 96, *and that* ~~he~~ she *will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that* ~~he~~ she *will faithfully discharge the duties of* ~~his~~ her *office of* CITY CLERK *of the City of Clarksburg, to the best of* ~~his~~ her *skill and judgment, so help* ~~him~~ her *God.*

Annette M. Wright

Taken, subscribed and sworn to before me, in said City and County, on this 6TH *day of* MAY, *19* 96

Robert T. Flynn

~~Clerk~~ Mayor

CHARTER

OF THE CITY OF

CLARKSBURG, WEST VIRGINIA

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Section 30. Employment of Counsel by Water Board; Audits and Accounts.
Section 31. Application of Funds of Water Board.
Section 32. Contracts and Purchases. (2-18-82)
Section 33. Status of Existing Officers and Employees.
Section 34. Discriminatory Practices Prohibited.
Section 35. Social Security.
Section 36. Oath of Office.
Section 37. Elections. (6-1-93)
Section 38. Candidates for Clarksburg City Council or Clarksburg Water Board; Filing Fee; Filing Date. (6-1-93)
Section 39. Form of Certificate of Announcement; Blank Forms to be Furnished by City Clerk. (6-1-93)
Section 40. Effect of Charter on Existing Ordinances and Administrative Rules and Regulations.
Section 41. Reference to General Law.
Section 42. Meetings and Other Acts or Legal Holidays.
Section 43. Separability.
Section 44. Effective Date of Charter.

SECTION 23. SANITARY BOARD.

The council shall provide for the establishment of a sanitary board which shall have the powers and shall perform the duties prescribed by general law with respect to the construction, operation and maintenance of sewage disposal facilities. The sanitary board shall be composed of the city manager, who shall be the chairman of the board, and two other persons appointed by the council, one of whom shall be a registered professional engineer.

SECTION 24. PARKING AUTHORITY.

The parking authority heretofore created and now existing shall be continued. The parking authority shall have the power and the responsibility to establish, operate and finance automobile parking facilities for the city, as provided in article four-a, chapter eight of the official code of West Virginia, as amended.

SECTION 25. THE WATER BOARD; CONTINUANCE; QUALIFICATIONS, TERM OF OFFICE, AND SALARY OF MEMBERS; SELECTION OF PRESIDENT; VACANCIES.

The water board of the city in existence on the date this charter is adopted shall be continued. The water board shall consist of three members to be elected at large by the qualified voters of the city for terms of four years beginning on the first day of July following their election. The terms of office of all members of the water board in office on the date this charter is adopted shall continue unitl the close of business on the thirtieth day of June following the date on which their terms of office would otherwise expire. At the first election held under the provisions of this charter one member of the water board shall be elected. At each regular election thereafter either one or two members of the board, as the case may be, shall be elected to succeed the incumbent member or members whose term of office expires on the thirtieth day of June following the election.

Members of the water board shall be qualified voters of the city, shall have been residents of the city for at least one year prior to their nomination for the office, shall hold no other public office except that of notary public or member of the National Guard or naval or military reserve, and shall not be employed by the city in any capacity. If a member of the board shall cease to be qualified or shall be convicted of any crime involving moral turpitude, his office shall immediately become vacant.

A special meeting of the water board shall be held at 7:30 P.M. on the first day of July following each regular city election. Following the selection of a temporary chairman, the newly elected member or members of the water board shall first be inducted into office. The board shall then elect one of its members to serve as president for a term of two years.

The salary of each member of the water board shall be twenty dollars for each meeting of the board attended by him, not to exceed five hundred dollars in any fiscal year. Until the maximum limit is reached, the salary of each member shall be paid monthly as earned.

If any vacancy occurs on the water board, the board shall within thirty days appoint a qualified person to fill the vacancy for the unexpired term. If the vacancy is not so filled within thirty days after it occurs, then of the unsuccessful candidates for the office of member of the water board at the last election, who are still qualified and willing to serve, the one who received more votes than any of the others shall be entitled to the office. If the vacancy is not filled by either of these methods, it shall be filled at a special election to be

held on a date not more than four months after the vacancy occurs. In the resolution calling the special election, the council shall specify procedures for the conduct of the election, and dates for the circulation and filing of nominating petitions and for the holding of the election, which shall conform as nearly as may be practicable to the procedures and schedule established by this charter for regular city elections.

SECTION 26. MEETINGS OF THE WATER BOARD; RULES OF PROCEDURE; JOURNAL.

Regular meetings of the water board shall be held at least twice each month, on such days and at such times as the board may by published resolution prescribe. Special meetings may be held at any time upon call by the president or any two members and upon such notice as the board may by rule prescribe. All meetings of the board shall be open to be public.

Two members of the board shall constitute a quorum. The president shall be entitled to vote on all matters before the board.

The board shall by resolution adopt by-laws prescribing its own rules, procedure, and order of business, and shall keep a journal of all of its proceedings, which shall be available for public inspection.

SECTION 27. GENERAL POWERS OF THE WATER BOARD.

All of the powers now or hereafter conferred upon municipalities by the laws of the state for the operation of a water system, and all powers and duties of the city pertaining to the construction, acquisition, establishment, improvement, operation, management, maintenance, and repair of the municipal water system, and the determination of all matters of policy with respect thereto, are vested in and shall be exercised by the water board. The water board shall have full and exclusive jurisdiction of the exercise and discharge of such municipal powers so conferred upon it, independent of control by the council and the city manager. The city council shall upon request of the water board enact such ordinances, enter such or-orders, and adopt such resolutions as may be required by law in connection with the issuance of any water works revenue bonds, the acquisition by purchase or condemnation of any property needed for the proper operation of the water department, or the transaction of any other business of the water board.

In addition to the general powers mentioned in the preceding paragraph, and without any limitation upon such powers, the water board subject to provisions of general law shall have the following authority and shall perform the following duties:

(1) Fix, regulate and change rates and charges for water supplied to all consumers; adopt and prescribe reasonable rules and regulations which shall be observed by all consumers in reference to the use and consumption of water taken from the city mains, the terms and conditions upon which connections to the mains shall be permitted, and the place and manner of making the same; fix penalties by way of additional charges for failure to pay water bills promptly, and to this end the board may discontinue the supply of water to any consumer who fails to pay for the same as required; require all users of water for temporary purposes to pay for the privilege in advance; refuse to furnish water to any building or habitation unless the owner thereof shall assume liability for the payment of the charges for the water so furnished, and charge to and collect from the owner the cost of water furnished to any tenant or occupant of such building or habitation not paid for by the tenant or occupant; charge the cost of installing water service lines from the curb line to the main against the landowner, and require

payment in advance for installing and connecting such line with the water main. The powers of the water board to fix and charge rates for water and water service and to make rules and regulations governing the supply of such water and water service shall be subject to the supervision, regulation and control of the Public Service Commission of the state to the extent and in the manner now or hereafter prescribed by general law.

(2) Whenever the city council shall determine to pave or repave any street in the city, the water board is authorized to make a proper connection and lay a water service line from the main to the curb for each and every lot or for any part of a lot under separate ownership, although no water service may, at any time be necessary or required for any such lot or part of lot, and to charge the cost of making such connection and laying such water service line against the owner of the property. The cost of laying such water service lines and making such connections shall in every instance be a lien upon the lot or part of lot to be benefited thereby, and the water board shall have the right, in the name of the city, to institute and prosecute any proper suit in the circuit court of Harrison County for the collection of such charges by a sale of the property on which the same constitutes a lien. Whenever the council decides to pave or repave any street, it shall be the duty of the water board to lay necessary water mains and service lines as soon as may be practicable in order not to delay the paving program. In order to coordinate the making of such improvements it shall be the duty of both the council and the water board to cooperate with each other in making plans for such improvements or repairs, and to keep each other informed concerning future needs and plans.

(3) The board shall have power from time to time to repair, extend and amplify the water works plant and system, and to make such additions to the pumping station, filtration plant and water mains and lines as may at any time be deemed necessary for the proper operation of the system.

(4) The water board shall require the general manager to examine the sources of water supply for the city and to report to the board from time to time whether the waters are being polluted. The water board may, in the name of the city, institute and prosecute in any court having jurisdiction any legal action, civil or criminal, necessary to enjoin any person, firm or corporation from continuing any nuisance caused by such pollution or to prohibit the violation of any city ordinance or of any provision of general law concerning pollution or concerning the protection of the city water supply.

(5) Whenever the city shall in the manner prescribed by law provide for the imposition of a sewage service charge based on the consumption of water upon the customers of the water department, it shall be the duty of the water board to add the charge to the water bills and collect the same. All sewage charges collected by the water board shall be accounted for monthly and paid into the operating fund of the sanitary board. The sanitary board shall pay any additional cost incurred by the water board in the collection of sewage charges.

SECTION 28. APPOINTMENT AND TENURE OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The water board shall appoint a general manager of the water department to serve for an indefinite term, and may at any time remove him from office by the affirmative vote of not less than two of its members. At least thirty days before such removal shall become effective, the board shall adopt a preliminary resolution stating the reasons for his removal and specifying the date on which his removal shall become final. At any time within ten days after the adoption of such resolution, upon the written request of the manager, he shall be afforded an opportunity to be heard at a public meeting of the board, which shall be held no earlier than ten nor later than twenty days after the request was made, and at a time and place to be fixed by the water board. After such public hearing if one is requested, and after full consideration, the board by affirmative vote of two if its members may adopt a final resolution of removal. By the preliminary resolution the board may suspend the manager with pay for a period not to exceed thirty days, and may designate some other person to perform the duties of the manager during the period of his suspension.

The general manager shall be a person of proved executive and administrative ability, preferably with experience and training in the management of a water or other utility system. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside in Harrison County. No member of the water board, during his term and for a year thereafter, shall be eligible for appointment as general manager of the water department.

Neither the water board nor any of its members shall direct or in any manner interfere with or obstruct the appointment or removal of any employee by the general manager or by any of his subordinates. Except for the purpose of inquiry, the board and its members shall deal with the employees of the water department solely through the general manager and shall give no orders to such employees, either publicly or privately. If any member of the board shall violate the provisions of this section, he shall be subject to removal from office in the manner provided for the removal of municipal officers in section seven, article six, chapter six of the official code of West Virginia, as amended.

SECTION 29. POWERS AND DUTIES OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The general manager of the water department shall be the administrative authority of the city insofar as the water department is concerned. He shall be ex officio the secretary and treasurer of the water board, and shall devote all of his time to his official duties. He shall be responsible to the board for the proper and efficient administration of the water department, and to that end he shall have power and shall be required to:

(1) Appoint and, when he deems it necessary or advisable, remove all employees of the water department, except as he may authorize such appointment and removal by his subordinates.

(2) Prepare the annual budget of the water department, submit it to the board for adoption, and be responsible for its administration after adoption.

(3) Prepare and submit to the board as of the end of each fiscal year a complete report on the finances and the administration of the department for the preceding year.

(4) Advise the board with respect to future plans and physical needs of the water department, and keep it informed concerning the current financial condition of the department.

(5) Enforce, or cause the enforcement of, all city ordinances and all laws of the state applicable to the water system, and of all rules and regulations of the water board.

(6) Prepare and cause to be served all notices required to be given to any person, firm or corporation in connection with any activity or business of the water board, and after the proper service and return of any notice he shall file and preserve the same.

(7) Collect all revenues of the water department, deposit them in the bank or banks designated by the water board, and disburse them upon such requisition or order as the board may prescribe.

(8) Supervise the purchase, storage and distribution of all equipment and supplies for the water department.

(9) Make and keep up to date, and place on file for public information at the office of the water board, complete maps, plans and details showing the dams, pumping stations, reservoirs, tanks, pipes, valves, connections, water lines, fire hydrants, and all other data necessary to show all the physical properties of the water department.

(10) Attend all meetings of the water board, give notice of its meetings, keep the journal of its proceedings, and keep or cause to be kept full and accurate record books and books of account covering all the business and transaction of the water department, all of which shall be available for public inspection.

(11) Execute on behalf of the water board all legal and other written documents requiring execution by the chief executive officer of the board, acknowledge the same if necessary, and perform all other acts and duties required of the chief executive officer of the board.

(12) Perform such other duties as may be required of him by this charter, by general law, or by order of the board not inconsistent with this charter or with general law.

The general manager may by letter filed with the president of the board designate one of his subordinates to perform the duties of the general manager during his temporary absence or disability. If the manager fails to make such designation, the board may by resolution appoint an employee of the water department to act for the manager during his absence or disability.

SECTION 30. EMPLOYMENT OF COUNSEL BY WATER BOARD; AUDITS AND ACCOUNTS.

The water board may employ legal counsel to assist and advise it in the discharge of its duties, and to represent it and the city in all litigation conducted by the water board in connection with the exercise of its powers and the transaction of its business. The cost of all such litigation, including any judgment or decree against the water board in the name of the city, as well as all fees and compensation for counsel employed by it, shall be paid out of the revenues of the water board.

The water board by resolution shall provide for such system of collecting, disbursing, budgeting, auditing, accounting and record-keeping, not inconsistent with other provisions of this charter, as may in its opinion be necessary or desirable.

In addition to the regular annual audit made by the state tax commissioner, the board may at any time it is deemed necessary employ qualified public accountants to make a special independent audit of the finances of the water board or of the accounts of the general manager or any other employee of the water department.

SECTION 31. APPLICATION OF FUNDS OF WATER BOARD.

All revenues derived from the operation of the water department, from the sale of water works bonds, or from the sale by the water board of any of its property, shall be applied by the water board solely for the payment of expenses incurred in the exercise of authority or in the discharge of duties imposed on the board by this charter or by general law, for the payment of the cost of operating, improving, and managing the water system, and for the payment of principal, interest and sinking fund requirements necessary for the discharge of any water works bonds heretofore or hereafter issued.

SECTION 32. CONTRACTS AND PURCHASES.

All contracts and purchases by any City officer, department or agency shall be void unless made in conformity with all applicable provisions of general law, this Charter, and with all rules and regulations fixed by ordinance, from time to time, concerning a dollar amount for which competitive bids shall be required for contracts for improvements or purchases of materials, supplies and equipment.

In the case of contracts for the construction of any improvements in which competitive bids shall be required, sealed competitive bids shall be obtained by notice published at least once each week for two successive weeks in two newspapers of opposite politics published in the City. The notice shall refer to necessary specifications and plans, shall invite the submission of bids, and shall specify the date on which the bids will be opened. In the case of contracts or purchases of supplies, materials and equipment or personal services, sealed competitive bids shall be obtained either (a) by published notice inviting bids as in the case of contracts for the construction of improvements, or (b) by mailed notice stating the necessary specifications, inviting the submission of bids, and stating the date on which the bids will be opened. The first of these methods shall be used unless the Council or Water Board, as the case may be, shall enter an order of record authorizing the use of the second method and stating the reasons why such method was authorized. Whether or not it is so stated in the published mailed notice, all bids may be rejected. No City officer, department or agency shall subdivide any contract or purchase for the purpose of evading the requirements of this section with respect to competitive bidding.

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* ALBERT N. COX, II *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 5th *day of* JULY, ~~19~~ XX 2001, ELECTED TO THE WATER BOARD *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1st *day of* JULY, ~~19~~ XX 2001, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* WATER BOARD MEMBER *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Albert N. Cox II

Taken, subscribed and sworn to before me, in said City and County, on this 2nd *day of* JULY, ~~19~~ XX 2001

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* JOHN P. "JACK" KEELEY *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 1st *day of* JULY, ~~19~~ 2001, ELECTED TO THE WATER BOARD *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1st *day of* JULY, ~~19~~ 2001, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* WATER BOARD MEMBER *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

John P. (Jack) Keeley

Taken, subscribed and sworn to before me, in said City and County, on this 2nd *day of* JULY, ~~19~~ 2001

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, Annette M. Wright, Clerk of said City of Clarksburg, certify that PAUL J. HOWE III this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the 3rd day of June, 2003 elected as a member of the Water Board of the City of Clarksburg, in said County of Harrison, for the term of four years, commencing on the 1st day of July, 2003 and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of Water Board member of the City of Clarksburg, to the best of his skill and judgment, so help him God.

Paul J. Howe III

Taken, subscribed and sworn to before me, in said City and County on this 1st day of July, 2003.

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ...ANNETTE M. WRIGHT....., *Clerk of said City of Clarksburg, certify that* .....RICHARD D. WELCH..... *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the*...1st..... *day of* .....SEPTEMBER....., ~~19~~ XX 2000..., APPOINTED GENERAL MANAGER OF THE WATER BOARD *of the City of Clarksburg, in said County of Harrison, for the term of*...indefinite...*years, commencing on the*....1st.....*day of*.....SEPTEMBER....., ~~19~~ XX 2000..., *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* .....GENERAL MANAGER OF THE WATER BOARD..... *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

.....Richard D. Welch.....

Taken, subscribed and sworn to before me, in said City and County, on this ....1st.....*day of*....SEPTEMBER....., ~~19~~ XX 2000.....

.....Annette M. Wright.....
Clerk

CLARKSBURG WATER BOARD

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE WATER REVENUE BONDS, SERIES 2004 A, OF THE CITY OF CLARKSBURG; APPROVING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE SALE AND DELIVERY OF SUCH BONDS; REQUESTING ENACTMENT BY THE CITY OF AN ORDINANCE AUTHORIZING AND APPROVING SUCH BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Clarksburg Water Board (the "Board") proposes the issuance of Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority) (the "Bonds") by the City of Clarksburg (the "City") for the purpose of financing the acquisition and construction of certain additions, betterments and improvements (the "Project") for the City's municipal waterworks system (the "System"), which is operated, maintained and managed by the Board;

WHEREAS, the Bonds are proposed to be issued to the West Virginia Water Development Authority (the "Authority") in an aggregate principal amount not to exceed $2,000,000; and

WHEREAS, bids for construction of this Project have been obtained and the low bidder has been given preliminary notice that the Board intends to proceed on the basis of such bid;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CLARKSBURG WATER BOARD AS FOLLOWS:

Section 1. Pursuant to the City Charter of the City of Clarksburg, this Resolution is hereby adopted and the Board hereby authorizes and approves the acquisition and construction of the Project and the financing thereof through the issuance of the Bonds by the City, to be issued pursuant to the provisions of Chapter 8, Article 19 and

Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended, such Bonds to be in an amount not to exceed $2,000,000, and issued in one or more series;

Section 2. The Board hereby requests that the City enact an ordinance directing that the Bonds be issued (the "Ordinance").

Section 3. The Board hereby requests that the City authorize, execute and deliver the Bonds in accordance with the terms set forth in the Ordinance and take all further action necessary or desirable for the timely acquisition and construction of the Project and the issuance of the Bonds.

Section 4. The General Manager, President and Secretary of the Board are hereby authorized and directed to execute and deliver such documents and certificates required or desirable in connection with the issuance of the Bonds hereby and by the Ordinance approved and provided for.

Section 5. This Resolution shall be effective immediately.

Adopted this August 10, 2004.

By: _____
President, Clarksburg Water Board

CERTIFICATION

The undersigned hereby certifies that he is the duly qualified and acting SECRETARY-TREASURER of CLARKSBURG WATER BOARD, and that the foregoing resolution is a true, accurate and complete copy of the resolution duly adopted by the Clarksburg Water Board at a regular meeting of the Board held on August 10, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout, which resolution has not been amended, modified or rescinded and is in full force and effect as of the date hereof.

Dated: August 10, 2004.

By: _____
Secretary-Treasurer

07/28/04
155510.00019

August 10, 2004

The regular meeting of the Clarksburg Water Board was held on Tuesday, August 10, 2004 at 2:30 p.m., at the offices of the Board, 1001 South Chestnut Street, Clarksburg, West Virginia 26301.

Board Members Present:	Albert N. Cox II	Board President
	Jack Keeley	Board Member
	Paul J. Howe III	Board Member
Others Present:	Richard D. Welch	General Manager
	John DePolo	General Counsel
	Dan L. Adkins	Director of Finance
	Kathy Fazzini	Executive Secretary
	Trey Hornor, P.E.	Hornor Brothers Engineering
	Vince Collins, Esq.	Steptoe & Johnson

1. **Call to Order and Roll Call:**

   Mr. Cox, Board President called the meeting to order and proceeded with the roll call.

2. **Prayer and Pledge of Allegiance:**

   Mr. Adkins led the meeting in prayer and Mr. Howe led the pledge of allegiance.

3. **Proclamations:**

4. **Petitions, Communications and Public Hearing:**

5. **Approval of Minutes:**

   There being no corrections, additions or deletions to the minutes of the regular meeting of Tuesday, July 27, 2004, **A MOTION** was made by Mr. Howe, seconded by Mr. Cox and unanimously carried, approving the minutes as presented.

6. **Consideration of A Resolution Approving and Authorizing the Issuance, Sale and Delivery of the Water Revenue Bonds, Series 2004, of the City of Clarksburg; Approving the Execution and Delivery of All Such Bonds; Requesting Enactment by the City of an Ordinance Authorizing and Approving Such Bonds; and Making Other Provisions as to the Bonds.**

   Following some discussion with Vince Collins, CWB Bond Counsel, **A MOTION** was made by Mr. Howe, seconded by Mr. Keeley and unanimously carried, adopting a resolution Approving and Authorizing the Issuance Sale and Delivery of the Water Revenue Bonds Series 2004, of the City of Clarksburg; Approving the Execution and Delivery of all Such Bonds; Requesting Enactment by the City of an Ordinance Authorizing and Approving Such Bonds; and Making Other Provisions as to the Bonds.

   Mr. Collins, CWB Bond Counsel left the meeting at 3:03 p.m.

7. **General Manager's Report / Update:**

   The Board amended the Manager's Report so as to begin with item 2 and then return to item number 1.

1. **Consideration of Approval of Requisition No. 2 for the Pike Street Waterline Replacement Project at a Cost of $244,789.06**

   Following a brief discussion, **A MOTION** was made by Mr. Keeley, seconded Mr. Howe and unanimously carried, approving Requisition No. 2 in the amount of $244,789.06 for the Pike Street Waterline Replacement Project.

   The Board Members announced their concerns with the placement of the stripes at the intersection of Pike Street and 4th Street and asked that Trey Hornor, P.E. investigate this concern so as to make sure of proper line placement in regard to the flow of traffic.

   Mr. Hornor stated that he would contact the Department of Highways in regard to the line placements.

2. **Consideration of Engineering Services Proposal to Perform Study Phase Engineering Services Related to Upgrading the Emergency Power Facilities for the Clarksburg Water Board – Water Treatment Plant and Providing Emergency Power Facilities for the Summit Park Booster Station in the amount of $18,660.**

Mr. Welch," Gannett Fleming has prepared a proposal to perform study phase engineering services related to upgrading the emergency power facilities for the Clarksburg Water Board Water Treatment Plant and providing emergency power facilities for the Summit Park Booster Station. The total estimated engineering costs is $18,660. If this proposal meets with the approval of the Board, they will submit an engineering service agreement for your approval and execution.

Following some discussion **A MOTION** was made by Mr. Keeley, seconded by Mr. Howe and unanimously carried, to table this item until further information could be obtained and suggested a representative be at the next Board Meeting from Gannett Fleming Inc.

3. **Progress Report on Various Projects:**

Mr. Welch reported to the Board on the following:

1. **Maple Ave:**

Mr. Welch," The problem with the bricks on Maple Avenue, which were disturbed due to different repairs made by the Clarksburg Water Board, has been corrected."

2. **Service Area – Crew Men:**

Mr. Welch," The two crewmen recently hired will begin work at the Service Area on Monday, August 9th 2004.

7 **Reports of the Director of Finance:**

1. **CWB – Fund Balances Statement August 9, 2004.**

Mr. Adkins reported to the Board that the fund balances are consistent with the fluctuation of receipts for this time of the month and that an updated report would be provided to the Board at the next regular Board Meeting.

2. **CWB – Copy of WV Municipal Bond Commission Statements June 30, 2004.**

Mr. Adkins provided to the Board a copy of the WV Municipal Bond Commission Statement for June 30, 2004.

3. **CWB – Memo – Status of Funding for Sludge Treatment Facility Project.**

Mr. Adkins reported to the Board on the status of the funding for the Sludge Treatment Facility Project and added that nothing had been received from the Administrative Law Judge as of yet for final approval of the certificate.

4. **CWB – Memo – CWB Bond Resolution for WV DWTRF (Drinking Water - Treatment Revolving Fund).**

Mr. Adkins provided to the Board with a copy of the CWB Bond Resolution for the WV DWTRF (Drinking Water Treatment Revolving Fund).

5 **CWB – Copy – Proposed City of Clarksburg 2004 Water Revenue Bond Ordinance.**

Mr. Adkins provided to the Board a copy of the Proposed City of Clarksburg 2004 Water Revenue Bond Ordinance.

8. **Adjournment:**

There being no more business to come before the Board, **A MOTION** was made by Mr. Howe, seconded by Mr. Keeley and unanimously carried, adjourning the August 10, 2004 Board Meeting at 3:35 p.m.

Secretary

President

CLARKSBURG WATER BOARD

A RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF NEW RATES AND CHARGES FOR WATER AND WATER SERVICE AND THE PROMULGATION OF SUCH OTHER REGULATIONS AS ARE APPROPRIATELY A PART OF THE TARIFF OF THE CLARKSBURG WATER BOARD. IN ACCORDANCE WITH CHAPTER 24, ARTICLE 2, AND CHAPTER 8, ARTICLE 19, AND OTHER PERTINENT SECTIONS OF THE CODE OF WEST VIRGINIA AND THE CHARTER OF THE CITY OF CLARKSBURG.

WHEREAS, The Clarksburg Water Board is a municipal corporation which owns and operates the water works system supplying water for the City of Clarksburg and to various out-lying cities, towns, public service districts, and associations for domestic, industrial and commercial purposes;

WHEREAS, the Clarksburg Water Board has been operating under rates and charges established by law; and

WHEREAS, upon the advice of its Treasurer, engineers, and accountants, Clarksburg Water Board has determined that an adjustment and increase in water rates and charges must be made in order to provide sufficient operating revenues for continued operations of the water system, and to provide adequate debt service coverage for the funding of its outstanding obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE CLARKSBURG WATER BOARD OF THE CITY OF CLARKSBURG, WEST VIRGINIA, that the following rates and charges be in effect for services rendered by the Clarksburg Water Board.

SCHEDULE NO. 1

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general, domestic, commercial, industrial and public authorities.

RATE

	CCF Metered		
First	2,000 cu. ft. used per month	$3.940	per 100 cu. ft.
Next	28,000 cu. ft. used per month	2.633	per 100 cu. ft
All over	30,000 cu. ft. used per month	1.841	per 100 cu. ft.

	Gallons Metered		
First	15,000 gallons used per month	$5.27	per 1,000 gallons
Next	210,000 gallons used per month	3.52	per 1,000 gallons
All over	225,000 gallons used per month	2.46	per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size		Minimum Charge
5/8"	Meter	$ 11.81 per month
1"	Meter	29.54 per month
1-1/2"	Meter	59.07 per month
2"	Meter	94.51 per month
3"	Meter	177.22 per month
4"	Meter	295.37 per month
6"	Meter	590.73 per month
8"	Meter	945.17 per month

TEMPORARY SERVICE RATE

The minimum water charge for water for temporary uses shall be $4.58 per 100 cu. ft. or ($6.13 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE

When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Twenty-Five Dollars ($25.00) has been paid.

RETURNED CHECK CHARGE

When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Fifteen Dollars ($15.00).

SCHEDULE NO. 2

AVAILABILITY OF SERVICE

Available for all water delivered to water utilities for resale.

RATE

CCF	Metered	$1.7448	per 100 cu. ft.
Gallons	Metered	$2.3320	per 1,000 gallons

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

APPLICABILITY

Applicable in entire territory served.

CHARGE FOR TAPPING MAINS

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and materials for (1) the service connection and pipe complete from the water main to the curb line.

including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.

The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC-Acct. 345	Cost of Meter Installation PSC-Acct. 347	Total Charge
3/4"	$180.00	$170.00	$350.00
1"	190.00	260.00	450.00

For sizes larger than 1", the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1", the Water Board will provide an estimate of actual cost which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual cost, the amount of the excess will be refunded to the applicant.

SCHEDULE NO. 4

APPLICABILITY

Applicable in entire area served.

AVAILABILITY OF SERVICE

Available for Private Fire Protection Service.

RATE

Size of Service	Charge per Month
4 inch	$ 6.00
6 inch	$18.08
8 inch	$36.17

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed

payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for public fire protection.

RATE

For each Public Fire Hydrant - $250.00 per year, to be billed in equal monthly increments.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 6

LEAK ADJUSTMENT RATE

$0.23750 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

SCHEDULE NO. 7

APPLICABILITY

Applicable in entire area served.

AVAILABILITY OF SERVICE

Available for Sewer Utilities who have entered an Inter-Governmental Agreement for the termination of delinquent sewer customers. customers who are Clarksburg Water Board water customers. The sewer utility will follow the notification guidelines for termination of service, as required by the West Virginia Public Service Commission and the Inter-Governmental Agreement.

RATE

The sewer utility will be charged the following fee:

$20.00 for termination. and

$20.00 for reconnection following payment and/or notification from the sewer utility that an appropriate payment arrangement has been reached.

EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final action of the Clarksburg Water Board following a public hearing on the Resolution.

SEPARABILITY; REPEAL OF CONFLICTING RESOLUTIONS

The provisions of this Resolution are separable, and if any clause. provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Resolution. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Resolution do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Secretary of the Clarksburg Water Board shall cause to be published a copy of this Resolution once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in The Clarksburg Exponent Telegram, being the only qualified newspaper published or of general circulation in the City of Clarksburg, and the Bridgeport News, and said notice shall state that this Resolution has been introduced, and that any person interested may appear before the Clarksburg Water Board at the board room of the Clarksburg Water

Board, located at 1001 South Chestnut Street, Clarksburg, West Virginia, on Tuesday, February 24, 2004 at 2:30 p.m., which date is not less than ten days after the date of the first publication of the Resolution and notice, and present any comment or protest thereto, following which hearing, the Board shall take such action as it shall deem proper. Copies of this Resolution shall be available to the public for inspection at the office of the Clarksburg Water Board, 1001 South Chestnut Street, Clarksburg, West Virginia.

Passed on First Reading: February 10, 2004

Passed on Second Reading
(following Public Hearing): February 24, 2004

CLARKSBURG WATER BOARD

By: _____
Secretary-Treasurer and General Manager

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of a Resolution which has been introduced and enacted on first reading at a meeting of the Clarksburg Water Board held on February 10, 2004, and enacted on final reading following a public hearing thereon on February 24, 2004, pursuant to proper notice, at which meetings a quorum was present and acting throughout and which Resolution has not been amended, modified or revoked as of the date hereof.

Dated: February 24, 2004.

By: _____
Secretary-Treasurer, Clarksburg
Water Board

02/23/04
155510.00019

Public Service Commission
of W. VA. Tariff Office

2004 APR 13 AM 9:03

APR 13 2004

Special Studies Section

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA

P.S.C. W. Va. No. 14
Canceling P.S.C. W. Va. No. 13

CLARKSBURG WATER BOARD
CITY OF CLARKSBURG, a municipal corporation

OF

Clarksburg, West Virginia

RATES, RULES AND REGULATIONS FOR FURNISHING

WATER

at Clarksburg and vicinity, Harrison, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Issued April 7, 2004 Effective for service rendered on and after April 9, 2004

Adopted by City Council

Issued by Clarksburg Water Board

By _____

PRESIDENT
Title

RULES AND REGULATIONS

I. Rules and Regulations for the Government of Water Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

SCHEDULE NO. 1

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and public authorities

(I) RATE

CCF Metered

First	2,000 cu ft used per month	$3.940 per 100 cu ft
Next	28,000 cu ft used per month	2.633 per 100 cu ft
All Over	30,000 cu ft used per month	1.841 per 100 cu ft

Gallons Metered

First	15,000 gallons used per month	$5.27 per 1,000 gallons
Next	210,000 gallons used per month	3.52 per 1,000 gallons
All Over	225,000 gallons used per month	2.46 per 1,000 gallons

(I) MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size	Minimum Charge
5/8" Meter	$ 11.81 per month
1" Meter	29.54 per month
1- 1/2" Meter	59.07 per month
2" Meter	94.51 per month
3" Meter	177.22 per month
4" Meter	295.37 per month
6" Meter	590.73 per month
8" Meter	945.17 per month

(I) TEMPORARY SERVICE RATE

The minimum water charge for water for temporary uses shall be $4.58 per 100 cubic feet or ($6.13 per 1,000 gallons), plus the actual cost of making service available.

(I) Indicates increase

SCHEDULE NO. 1 (Continued)

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

(I) RECONNECTION CHARGE

When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Twenty-Five Dollars ($25.00) has been paid.

(I) RETURNED CHECK CHARGE

When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Fifteen Dollars ($15.00).

(I) Indicates increase

SCHEDULE NO. 2

AVAILABILITY OF SERVICE

Available for all water delivered to water utilities for resale

(I) RATE

CCF Metered	$1.7448 per 100 cubic feet
Gallons Metered	$2.3320 per 1,000 gallons

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

(I) Indicates increase

SCHEDULE NO. 3

APPLICABILITY

Applicable in entire area served

(I) CHARGE FOR TAPPING MAINS

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.

The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC - Acct. 345	Cost of Meter Installation PSC - Acct. 347	Total Charge
3/4"	$180.00	$170.00	$350.00
1"	190.00	260.00	450.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

(I) Indicates increase

SCHEDULE NO. 4

APPLICABILITY
Applicable in entire territory served

AVAILABILITY OF SERVICE
Available for private fire protection service

(I) RATE

Size of Service	Charge per Month
4 inch	$ 6.00
6 inch	18.08
8 inch	36.17

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

APPLICABILITY
Applicable in entire territory served

AVAILABILITY OF SERVICE
Available for public fire protection service

(C,I) RATE
For each public fire hydrant $250.00 per year to be billed in equal monthly increments

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

(C) Indicates change in text
(I) Indicates increase

SCHEDULE NO. 6

(I) LEAK ADJUSTMENT RATE

$0.23750 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

(N) SCHEDULE NO. 7

APPLICABILITY

Applicable in entire area served

AVAILABILITY OF SERVICE

Available for Sewer Utilities who have entered an Inter-Governmental Agreement for the termination of delinquent sewer customers, customers who are Clarksburg Water Board water customers. The sewer utility will follow the notification guidelines for termination of service, as required by the West Virginia Public Service Commission and the Inter-Governmental Agreement.

RATE

The sewer utility will be charged the following fee:

$20.00 for termination, and

$20.00 for reconnection following payment and/or notification from the sewer utility that an appropriate payment arrangement has been reached

(I) Indicates increase
(N) Indicates new

February 10, 2004

The regular meeting of the Clarksburg Water Board was held on Tuesday, February 10, 2004, at 2:30 p.m., at the offices of the Board, 1001 South Chestnut Street, Clarksburg, West Virginia 26301.

Board Members present:	Albert N. Cox II	Board President
	Paul J. Howe III	Board Member
Others present:	Richard D. Welch	General Manager
	John L. DePolo	General Counsel
	Dan L. Adkins	Director of Finance
	Kathy Fazzini	Executive Secretary
	Vince Collins	CWB Bond Counsel
	Media	
Absent:	Jack Keeley	Board Member

1. **Call to Order and Roll Call:**

Albert N. Cox II, Board President called the meeting to order and proceeded with the roll call.

2. **Prayer and Pledge of Allegiance:**

Mr. Adkins led the meeting in prayer and Mr. Howe led the pledge of allegiance.

3. **Proclamations:**

4. **Petitions, Communications and Public Hearings:**

Under Communications: Mr. Cox, Board President received a letter from Glen Struchtemeyer, Coordinator for the Emergency Preparedness Plan for the Veterans Administration Medical Center updating their Mutual Aid Agreement.

Following a brief discussion Mr. Cox directed that Mr. Welch obtain further information on the mutual aid request. Mr. Cox stated that he would like for Mr. Keeley to be present for this item and to place it for discussion on the Board Meeting of March 9th 2004.

5. **Approval of Minutes:**

There being no corrections, additions or deletions to the minutes of the regular meeting of Tuesday, January 27th 2004 A MOTION was made by Mr. Howe, seconded by Mr. Cox and unanimously carried, approving the minutes as presented.

6. **Consideration upon First Reading of a Water Rate Resolution Increasing Water Rates and Charges.**

Mr. Collins provided to the Board a copy of the water rate resolution for consideration and discussion of increasing water rates and charges.

Following some discussion, A MOTION was made by Mr. Howe, seconded by Mr. Cox and unanimously carried, approving a resolution providing for the establishment of new rates and charges for water and water service and the promulgation of such other regulations as are appropriately a part of the tariff of the Clarksburg Water Board, in accordance with Chapter 24, Article 2, and Chapter 8, Article 19, and other pertinent sections of the Code of West Virginia and the Charter of the City of Clarksburg.

7. **GENERAL MANAGER'S REPORT / UPDATE:**

1. **Progress Report on Various Projects:**

1. **Meeting with City Manager and City Finance Director:**

Mr. Welch," Dan and I will meet with Tom Vidovich and Frank Ferrari on Wednesday, February 11th 2004 at 2:00 p.m., at the Water Board. The meeting was scheduled at the request of the City Manager to discuss the proposed new hydrant fee.

2. **Tampering Ordinance:**

Mr. Welch," Implementation procedures to prosecute a person that has violated our Tampering / Obstruction Water Meter Fire Hydrant Ordinance, have been worked out with the Clarksburg Police Department. I have provided you with our first complaint filed on February 4th 2004."

3. **Policy for Cell Phone Use:**

Mr. Welch," At the recommendation of Mr. Keeley, a Mobile Communication / Devices / Cellular Phones Policy has been included in our new Employee Handbook. The completed handbook will be provided to the Board for adoption in March."

8. Director of Finance Reports / Update:

1. **CWB – Fund Balances Statement February 4th 2004:**

Mr. Adkins provided the Board with the cash fund balances statement as of the close of business on February the 4th and said," You can see that the cash payables are down and we had normal fluctuation through the month, but everything looks in order."

2. **CWB – Copy, Memo to City of Clarksburg re: Proposed Tariff Changes:**

Mr. Adkins," I provided you with a copy of a memo to the City of Clarksburg. I called Frank Ferrari, City Finance Director on the proposed rate tariff changes and he asked that I provide it to him in the form of a memo. He will be affected in two areas 1) sanitary board fees and 2) fire hydrant fees. I have emphasized to him that we are increasing the public fire hydrant fees to where our 1998 cost of Service Study showed what the cost should be. I have some detailed information to provide them when we do meet with them on Wednesday, February 11th, 2004."

3. **CWB – Memo; Possible Alternative Funding Sources for the Sludge Treatment Facility:**

Mr. Adkins," Due to a discussion that I had with Walt Ivey of the Drinking Water Treatment Revolving Fund, I have taken a look at two other alternatives to possibly fund the construction of the Sludge Treatment Facility. One is the Water Development Authority and the other is if we go to the sale of public bonds. The reason that I did that was to assure that any of those three funding sources would be supported by the rate increase."

Discussion on Section 25 of the City Charter:

Mr. Howe inquired about the Board approaching City Council to request a change in the City Charter to allow Board Members to be able to serve on other boards.

Following a brief discussion, Mr. Cox asked Mr. Welch, General Manager to place this matter on the first scheduled board meeting for Tuesday March 9th 2004 for further discussion and consideration. Mr. Cox stated that he would also like for Mr. Keeley to be present on this matter.

9. ADJOURNMENT:

There being no more business to come before the Board, **A MOTION** was made by Mr. Howe, seconded by Mr. Cox and unanimously carried, to adjourn the meeting at 3:04 p.m.

Secretary

President

Clarksburg, West Virginia

February 24, 2004

The regular meeting of the Clarksburg Water Board was held on Tuesday February 24, 2004, at 2:30 p.m., at the offices of the Board, 1001 South Chestnut Street, Clarksburg, West Virginia 26301.

Board Members present:	Albert N. Cox II	Board President
	Paul J. Howe III	Board Member
Others present:	Richard D. Welch	General Manager
	John L. DePolo	General Counsel
	Dan L. Adkins	Director of Finance
	Vince Collins	Bond Counsel
	Kathy Fazzini	Executive Secretary
	Kenneth Gorby	Mayor of Stonewood
	Margaret Bailey	Clarksburg Councilwoman
	Media	
Absent:	Jack Keeley	Board Member

1. **CALL TO ORDER AND ROLL CALL:**

Albert N. Cox II, Board President called the meeting to order and proceeded with the roll call.

2. **PRAYER AND PLEDGE OF ALLEGIANCE:**

Mr. Adkins led the meeting in prayer and Ms. Margaret Bailey led the pledge of allegiance.

3. **PROCLAMATIONS:**

4. **PETITIONS, COMMUNICATIONS, AND PUBLIC HEARINGS:**

Public Hearing – on the Second and Final Reading of a Water Rate Resolution Increasing Water Rates and Charges:

Mr. Cox, Board President opened the public hearing on the second reading and final approval to increase the water rates and charges.

Mr. Welch," Mr. President, I do have the proof of publication of this hearing advertised in the Clarksburg Exponent / Telegram and to Bridgeport News for 2 – consecutive weeks. I will submit the proof of publication to our records."

Following some discussion and with no protest, Mr. Cox, Board President declared the Public Hearing closed.

5. APPROVAL OF MINUTES:

There being no corrections, additions or deletions to the minutes of the regular meeting of February 10, 2004, A MOTION was made by Mr. Howe, seconded by Mr. Cox and unanimously carried, approving the minutes as presented.

6. **Consideration Upon the Second and Final Reading of a Water Rate Resolution Increasing Water Rates and Charges:**

A MOTION was made by Mr. Howe seconded by Mr. Cox and unanimously carried, to adopt a resolution providing for the establishment of new rates and charges for water and water service and the promulgation of such other regulations as are appropriately a part of the tariff of the Clarksburg Water Board, in accordance with Chapter 24, Article 2, and Chapter 8, Article 19, and other pertinent sections of the Code of West Virginia and the Charter of the City of Clarksburg.

Though Mr. Keeley, Board Member was absent Mr. Cox stated that Mr. Keeley was in favor of the water rates and charges.

7. GENERAL MANAGER'S REPORT / UPDATE:

1. **P.S. C. Municipal Seminar – March 16th and 17th 2004 in Morgantown.**

Mr. Welch," I have provided to you information on a municipal seminar sponsored by the Public Service Commission, to be held on March 16th and 17th 2004 at the Radisson Hotel in Morgantown. If you would like to attend please let me know and I will get you registered."

2. **Confined Spaces Training.**

Mr. Welch," I'm sending our Director of Safety to Charleston to attend a two-day seminar on Confined Spaces Training."

3. **Cross Connection Program.**

Mr. Welch," I have appointed Robert Guzzi to head our Cross Connection Program when it is fully implemented. I will be sending Robert to a class in October for certification."

Mr. Cox inquired of the Cross Connection Program.

Mr. Welch," It gives us the authority to make sure that hazardous materials are not being flushed into the water system as to cause cross contamination."

4. **Gannett Flemings Engineering Services Proposal – Modification of the Hartland Dam and Removal of the Two-Lick Dam:**

Mr. Welch," John DePolo and I have reviewed Gannett Flemings engineering services proposal for modifications to Hartland Dam and removal of the Two Lick Dam. We have submitted the proposed changes to Mike Morrison and hope to have the agreement ready for the Board's approval at the first meeting in March."

8. REPORTS OF THE DIRECTOR OF FINANCE:

1. **CWB – Fund Balances Statement February 14, 2004.**

Mr. Adkins provided to the Board the CWB fund balances statements ending February 14th, 2004.

2. **CWB – Copy, Memo Water Rate Resolution Approval on Second Reading and Public Hearing.**

Mr. Adkins," I have provided to the Board a copy of the Water Rate Resolution, which was discussed during the first of this meeting."

3. **CWB – Copy, Letter from Gannett Fleming Inc., Re: Filing of Certificate of Convenience and Necessity – CWB Sludge Treatment Facility.**

Mr. Adkins," I have provided to you a copy of a correspondence from Mark Kauffelt. We have filed our pre-application with the West Virginia Public Service Commission for the certificate of Convenience and Necessity for the construction of the Sludge Treatment Facility. I will keep you advised on the progress of that as it proceeds through the PSC."

4. **CWB – Debt Service Coverage for the Six Months Ended 12-31-03.**

Mr. Adkins," The debt service coverage factor you will see that, this is the first time in about two years that we have shown for the last month a debt service coverage factor slightly less than the requirement. So, we are very timely as far as our rate increase to get that back to the debt service requirement of 1.20."

5. **CWB – Budget Summary Report for the Six Months Ended 12-31-03.**

Mr. Adkins," On the budget summary with 50% of the fiscal year complete, total budgeted income is at 46.7%, total budget is at 47.52% and total budget expenditures are at 54.29%. We are within line of the budget for our fiscal year."

Mr. Adkins provided the Board with the following normal monthly reports:

6. **CWB – Balance Sheet, December 31, 2003.**

7. **CWB – Detail Income Statement for the Six Months Ended 12-31-03.**

8. **CWB – Summary Income Statement for the Six Months Ended 12-31-03.**

9. **CWB – Budget Line Item Report for the Six Months Ended 12-31-03.**

10. **CWB – Copy of Municipal Bond Commission Statements 12-31-03.**

Discussion on the Water Rate Resolution:

Vince Collins, CWB Bond Counsel, entered the meeting at 2:54 p.m.

Mr. Cox inquired of Mr. Collins as to a timeline.

Mr. Collins," There are some post adoption matters that must be taken care of which I can go over those with Dan. The bottom line is that basically there is a 30 day appeal period, starting as of today. Anybody can appeal to the Public Service Commission. After the 30 days is up then the appeal period is over and if nobody appeals then the rates will go into effect 45 days after the enactment date, today's date, which would be approximately April 15th."

Mr. Cox," What timeframe are we looking at for the Certificate of Convenience and Necessity to begin?"

Mr. Adkins," The 30 day pre- application went in for the certificate of convenience and necessity which means the application will go in the middle to late March. I would anticipate hearing from that and the engineers should be receiving bids during the month of May possibly a period of 30 to 60 days to receive bids after which we will open those bids and construction could begin as early as July or August."

Mr. Collins," The rate ordinance comes first and then the certificate of application. Bid the project, open the bids and see what you are going to do and begin an enactment of the bond ordinance which takes approximately 3 weeks. Then once the bond ordinance is enacted and assuming that you have acceptable bids at that point, then you can award bids and close the bond issue within a couple of days of each other."

9. ADJOURNMENT:

There being no more business to come before the Board **A MOTION** was made by Mr. Howe, seconded by Mr. Cox and unanimously carried, adjourning the meeting at 3:25 p.m.

Secretary

President

PUBLISHER'S CERTIFICATE

vs.

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE EXPONENT-TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

WATER RATE RESOLUTION

was published in said THE EXPONENT-TELEGRAM once a week

for 2 successive weeks,

commencing on the 12 day of February 20 04

and ending on the 19 day of February 20 04

The publisher's fee for said publication is $ 716.10

Given under my hand this 19 day of February 20 04

Sara V. Shingleton

Classified Manager of The Exponent-Telegram

SEAL

Subscribed and sworn to before me this 19 day of

February, 20 04

Notary Public in and for Harrison County, WV

My commission expires on the 21 day of July 2009

Form CA-15 E

CLARKSBURG WATER BOARD
NOTICE OF PUBLIC HEARING ON WATER RATE RESOLUTION
INCREASING WATER RATES AND CHARGES

A public hearing will be held on a Water Rate Resolution increasing the rates and charges for water and water services as set forth below, at a regular meeting of the members of the Clarksburg Water Board to be held Tuesday, February 24, 2004, at 2:30 p.m. in the board room of the office of the Clarksburg Water Board, located at 1001 South Chestnut Street, Clarksburg, Harrison County, West Virginia, and at such hearing all objections and suggestions shall be heard by the Board relating to such action to confirm, reject, or modify said Resolution as it shall deem proper in the premises. The proposed increase in rates and charges will result in an increase in the annual operating revenues by 7.11% and an increase in annual revenues from metered water sales of 5.107%. The Resolution is as follows:.

A RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF NEW RATES AND CHARGES FOR WATER AND WATER SERVICE AND THE PROMULGATION OF SUCH OTHER REGULATIONS AS ARE APPROPRIATELY A PART OF THE TARIFF OF THE CLARKSBURG WATER BOARD, IN ACCORDANCE WITH CHAPTER 24, ARTICLE 2, AND CHAPTER 8, ARTICLE 19, AND OTHER PERTINENT SECTIONS OF THE CODE OF WEST VIRGINIA AND THE CHARTER OF THE CITY OF CLARKSBURG.

WHEREAS, The Clarksburg Water Board is a municipal corporation which owns and operates the water works system supplying water for the City of Clarksburg and to various out-lying cities, towns, public service districts, and associations for domestic, industrial and commercial purposes;

WHEREAS, the Clarksburg Water Board has been operating under rates and charges established by law; and

WHEREAS, upon the advice of its Treasurer, engineers, and accountants, Clarksburg Water Board has determined that an adjustment and increase in water rates and charges must be made in order to provide sufficient operating revenues for continued operations of the water system, and to provide adequate debt service coverage for the funding of its outstanding obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE CLARKSBURG WATER BOARD OF THE CITY OF CLARKSBURG, WEST VIRGINIA, that the following rates and charges be in effect for services rendered by the Clarksburg Water Board.

SCHEDULE NO. 1

APPLICABILITY
Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for general, domestic, commercial, industrial and public authorities.

RATE

	CCF Metered	
First	2,000 cu. ft. used per month $3.940	per 100 cu. ft.
Next	28,000 cu. ft. used per month 2.633	per 100 cu. ft.
All over	30,000 cu. ft. used per month 1.841	per 100 cu. ft.

	Gallons Metered	
First	15,000 gallons used per month $5.27	per 1,000 gallons
Next	210,000 gallons used per month 3.52	per 1,000 gallons
All over	225,000 gallons used per month 2.46	per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size	Minimum Charge
5/8" Meter	$11.81 per month
1" Meter	29.54 per month
1-1/2" Meter	59.07 per month
2" Meter	94.51 per month
3" Meter	177.22 per month
4" Meter	295.37 per month
6" Meter	590.73 per month
8" Meter	945.17 per month

TEMPORARY SERVICE RATE
The minimum water charge for water for temporary uses shall be $4.58 per 100 cu. ft. or ($6.13 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE
When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Twenty-Five Dollars ($25.00) has been paid.

RETURNED CHECK CHARGE
When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Fifteen Dollars ($15.00).

SCHEDULE NO. 2

AVAILABILITY OF SERVICE
Available for all water delivered to water utilities for resale.

RATE

CCF	Metered $1.7448	per 100 cu. ft.
Gallons	Metered $2.3320	per 1,000 gallons

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

APPLICABILITY
Applicable in entire territory served.
CHARGE FOR TAPPING MAINS
The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and materials for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.
The charges for these items shall be as follows

Size of Tap	Cost of Tap PSC- Acct. 345	Cost of Meter Installation PSC Acct. 347	Total Charge
3/4"	$180.00	$170.00	$350.00
1"	190.00	260.00	450.00

For sizes larger than 1", the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1", the Water Board will provide an estimate of actual cost which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual cost, the amount of the excess will be refunded to the applicant.

SCHEDULE NO. 4

APPLICABILITY
Applicable in entire area served.
AVAILABILITY OF SERVICE
Available for Private Fire Protection Service.
RATE

Size of Service	Charge per Month
4 inch	$ 6.00
6 inch	$18.08
8 inch	$36.17

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

APPLICABILITY
Applicable in entire territory served.
AVAILABILITY OF SERVICE
Available for public fire protection.
RATE
For each Public Fire Hydrant - $250.00 per year, to be billed in equal monthly increments.
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 6

LEAK ADJUSTMENT RATE
$0.23750 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

SCHEDULE NO. 7

APPLICABILITY
Applicable in entire area served.
AVAILABILITY OF SERVICE
Available for Sewer Utilities who have entered an Inter-Governmental Agreement for the termination of delinquent sewer customers, customers who are Clarksburg Water Board water customers. The sewer utility will follow the notification guidelines for termination of service, as required by the West Virginia Public Service Commission and the Inter-Governmental Agreement.
RATE
The sewer utility will be charged the following fee:

$20.00	for termination, and
$20.00	for reconnection following payment and/or notification from the sewer utility that an appropriate payment arrangement has been reached.

EFFECTIVE DATE
The rates and charges provided herein shall become effective forty-five (45) days after final action of the Clarksburg Water Board following a public hearing on the Resolution.
SEPARABILITY: REPEAL OF CONFLICTING RESOLUTIONS
The provisions of this Resolution are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Resolution. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Resolution do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.
STATUTORY NOTICE AND PUBLIC HEARING
Upon introduction hereof, the Secretary of the Clarksburg Water Board shall cause to be published a copy of this Resolution once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in The Clarksburg Exponent Telegram, being the only qualified newspaper published or of general circulation in the City of Clarksburg, and the Bridgeport News, and said notice shall state that this Resolution has been introduced, and that any person interested may appear before the Clarksburg Water Board at the board room of the Clarksburg Water Board, located at 1001 South Chestnut Street, Clarksburg, West Virginia, on Tuesday, February 24, 2004 at 2:30 p.m., which date is not less than ten days after the date of the first publication of the Resolution and notice, and present any comment or protest thereto, following which hearing, the Board shall take such action as it shall deem proper. Copies of this Resolution shall be available to the public for inspection at the office of the Clarksburg Water Board, 1001 South Chestnut Street, Clarksburg, West Virginia.

Passed on First Reading: _____, 2004
Passed on Second Reading
(following Public Hearing): _____, 2004

CLARKSBURG WATER BOARD
By: /s/ Richard Welch
Secretary-Treasurer and General Manager

The Exponent
Telegram

P.O. Box 2000, Clarksburg, West Virginia 26302-2000

Web: http://cpubco.com
E-Mail: Classified@exponent-telegram.com

SARA V. SHINGLETON
Classified Manager

304-626-1415
Toll Free: 1-800-982-6034
Fax: 304-622-3629

PROOF OF PUBLICATION

STATE OF WEST VIRGINIA, COUNTY OF HARRISON
I, Deborah S. Veltri, Advertising Manager of Clarksburg Publishing Company, publisher of The Bridgeport News, weekly newspaper, County and State aforesaid, do hereby certify that

Clarksburg Water Board Notice of Public Hearing

was published 2 time(s) on the 12 & 19 day of FEBUARY, 2004.

The cost of said publication is $ $371.70

Deborah S. Veltri
Deborah S. Veltri
Advertising Manager

Subscribed and sworn to before me this 24 day of February, 2004.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
[illegible]
[illegible] Publishing Co.
[illegible] Hawes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

Shelley J. Lipple
Notary Public of Harrison County, West Virginia

CLARKSBURG WATER BOARD
NOTICE OF PUBLIC HEARING ON WATER RATE RESOLUTION
INCREASING WATER RATES AND CHARGES

A public hearing will be held on a Water Rate Resolution increasing the rates and charges for water and water services as set forth below, at a regular meeting of the members of the Clarksburg Water Board to be held Tuesday, February 24, 2004, at 2:30 p.m. in the board room of the office of the Clarksburg Water Board, located at 1001 South Chestnut Street, Clarksburg, Harrison County, West Virginia, and at such hearing all objections and suggestions shall be heard by the Board relating to such action to confirm, reject, or modify said Resolution as it shall deem proper in the premises. The proposed increase in rates and charges will result in an increase in the annual operating revenues by 7.11% and an increase in annual revenues from metered water sales of 5.107%. The Resolution is as follows:

A RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF NEW RATES AND CHARGES FOR WATER AND WATER SERVICE AND THE PROMULGATION OF SUCH OTHER REGULATIONS AS ARE APPROPRIATELY A PART OF THE TARIFF OF THE CLARKSBURG WATER BOARD, IN ACCORDANCE WITH CHAPTER 24, ARTICLE 2, AND CHAPTER 8, ARTICLE 19, AND OTHER PERTINENT SECTIONS OF THE CODE OF WEST VIRGINIA AND THE CHARTER OF THE CITY OF CLARKSBURG.

WHEREAS, The Clarksburg Water Board is a municipal corporation which owns and operates the water works system supplying water for the City of Clarksburg and to various out-lying cities, towns, public service districts, and associations for domestic, industrial and commercial purposes;

WHEREAS, the Clarksburg Water Board has been operating under rates and charges established by law; and

WHEREAS, upon the advice of its Treasurer, engineers, and accountants, Clarksburg Water Board has determined that an adjustment and increase in water rates and charges must be made in order to provide sufficient operating revenues for continued operations of the water system, and to provide adequate debt service coverage for the funding of its outstanding obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE CLARKSBURG WATER BOARD OF THE CITY OF CLARKSBURG, WEST VIRGINIA, that the following rates and charges be in effect for services rendered by the Clarksburg Water Board.

SCHEDULE NO. 1

APPLICABILITY
Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for general, domestic, commercial, industrial and public authorities.

RATE

	CCF Metered	
First	2,000 cu. ft. used per month $3.940	per 100 cu. ft.
Next	28,000 cu. ft. used per month 2.633	per 100 cu. ft.
All over	30,000 cu. ft. used per month 1.841	per 100 cu. ft.

	Gallons Metered	
First	15,000 gallons used per month $5.27	per 1,000 gallons
Next	210,000 gallons used per month 3.52	per 1,000 gallons
All over	225,000 gallons used per month 2.46	per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size		Minimum Charge
5/8"	Meter	$ 11.81 per month
1"	Meter	29.54 per month
1-1/2"	Meter	59.07 per month
2"	Meter	94.51 per month
3"	Meter	177.22 per month
4"	Meter	295.37 per month
6"	Meter	590.73 per month
8"	Meter	945.17 per month

TEMPORARY SERVICE RATE
The minimum water charge for water for temporary uses shall be $4.58 per 100 cu. ft. or ($6.13 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE
When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Twenty-Five Dollars ($25.00) has been paid.

RETURNED CHECK CHARGE
When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Fifteen Dollars ($15.00).

SCHEDULE NO. 2

AVAILABILITY OF SERVICE
Available for all water delivered to water utilities for resale.

RATE

CCF	Metered $1.7448	per 100 cu. ft.
Gallons	Metered $2.3320	per 1,000 gallons

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

APPLICABILITY
Applicable in entire territory served.

CHARGE FOR TAPPING MAINS
The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and materials for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.

The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC- Acct. 345	Cost of Meter Installation PSC Acct. 347	Total Charge
3/4"	$180.00	$170.00	$350.00
1"	190.00	260.00	450.00

For sizes larger than 1", the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1", the Water Board will provide an estimate of actual cost which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual cost, the amount of the excess will be refunded to the applicant.

SCHEDULE NO. 4

APPLICABILITY
Applicable in entire area served.

AVAILABILITY OF SERVICE
Available for Private Fire Protection Service.

RATE

Size of Service	Charge per Month
4 inch	$ 6.00
6 inch	$18.08
8 inch	$36.17

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

APPLICABILITY
Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for public fire protection.

RATE
For each Public Fire Hydrant - $250.00 per year, to be billed in equal monthly increments.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 6

LEAK ADJUSTMENT RATE
$0.23750 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

SCHEDULE NO. 7

APPLICABILITY
Applicable in entire area served.

AVAILABILITY OF SERVICE
Available for Sewer Utilities who have entered an Inter-Governmental Agreement for the termination of delinquent sewer customers, customers who are Clarksburg Water Board water customers. The sewer utility will follow the notification guidelines for termination of service, as required by the West Virginia Public Service Commission and the Inter-Governmental Agreement.

RATE
The sewer utility will be charged the following fee:
$20.00 for termination, and
$20.00 for reconnection following payment and/or notification from the sewer utility that an appropriate payment arrangement has been reached.

EFFECTIVE DATE
The rates and charges provided herein shall become effective forty-five (45) days after final action of the Clarksburg Water Board following a public hearing on the Resolution.

SEPARABILITY; REPEAL OF CONFLICTING RESOLUTIONS
The provisions of this Resolution are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Resolution. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Resolution do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING
Upon introduction hereof, the Secretary of the Clarksburg Water Board shall cause to be published a copy of this Resolution once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in *The Clarksburg Exponent Telegram*, being the only qualified newspaper published or of general circulation in the City of Clarksburg, and the *Bridgeport News*, and said notice shall state that this Resolution has been introduced, and that any person interested may appear before the Clarksburg Water Board at the board room of the Clarksburg Water Board, located at 1001 South Chestnut Street, Clarksburg, West Virginia, on Tuesday, February 24, 2004 at 2:30 p.m., which date is not less than ten days after the date of the first publication of the Resolution and notice, and present any comment or protest thereto, following which hearing, the Board shall take such action as it shall deem proper. Copies of this Resolution shall be available to the public for inspection at the office of the Clarksburg Water Board, 1001 South Chestnut Street, Clarksburg, West Virginia.

Passed on First Reading: _____, 2004

Passed on Second Reading (following Public Hearing): _____, 2004

CLARKSBURG WATER BOARD
By: /s/ Richard Welch
Secretary-Treasurer and General Manager

AFFIDAVIT OF PUBLIC NOTICE
BY POSTING

State of West Virginia
County of Harrison, to wit:

I, Richard Welch, being first duly sworn upon my oath, do depose and say that I am the Secretary-Treasurer of the Clarksburg Water Bard, and that I have been duly authorized by the Board to execute this affidavit of public notice by posting.

The attached public notice, substantially in the format of Tariff Form No. 12 of the Public Service Commission of West Virginia's Rules for the Construction and Filing of Tariffs, 150 C.S.R. 2, and as required by 150 C.S.R. 1.c.4., was first posted in a conspicuous place on the premises where the Clarksburg Water Board conducts its utility business with the public on February 25, 2004 and remained posted through. March 26, 2004.

Signed: Richard D. Welch

Taken, subscribes and sworn to before me in said County this 26th day of March, 2004.

My commission expires September 16, 2008.

OFFICIAL SEAL
NOTARY PUBLIC
State of West Virginia
KATHY L. FAZZINI,
107 Charleston Avenue
Clarksburg, WV 26301
My Commission Expires September 16, 2008

Kathy L. Fazzini
Notary Public

03/11/04
155510.00019

CL916167.1

PUBLIC NOTICE OF CHANGE IN WATER RATES OF THE CITY OF CLARKSBURG

NOTICE is hereby given that the CLARKSBURG WATER BOARD (the "Board") on February 24, 2004, has adopted a resolution increasing rates and charges for furnishing water service to its 8,406 customers in Harrison County, West Virginia.

The proposed increased rates and charges will become effective 45 days following the final adoption of such resolution (April 10, 2004) unless otherwise ordered by the Public Service Commission (the "Commission") and will produce approximately $416,349 annually in additional revenue, an increase of 7.1%. The increased rates will be as follows:

The average monthly bill for the various classes of customers will be as follows:

TYPE OF CUSTOMER	AVERAGE USAGE (Thousands of Gallons)	($) INCREASE	(%) INCREASE
Residential	4	$ 1.08	5.400%
Commercial	32	3.03	5.334
Industrial	929	128.02	5.286
Public Authority	139	22.07	5.325
Resale	6,883	808.31	5.303

Resale customers of the City of Clarksburg's water system include:

Town of Anmoore
City of Bridgeport
East View Public Service District
Enlarged Hepzibah Public Service District
Greater Harrison Public Service District,
representing Lost Creek-Mount Clare Public Service District
and Valley of Good Hope Public Service District
Town of Nutter Fort
City of Shinnston
Short Line Public Service District
City of Stonewood
Summit Park Public Service District
Sun Valley Public Service District
Tri-County Water Association

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Commission in its review of this filing. The Commission shall review and approve or modify the rates only upon the filing of a petition within 30 days of the adoption of the resolution changing said rates and charges by:

(1) Any customer aggrieved by such rates or charges who presents to the Commission a petition signed by not less than 25% of the customers served by the City; or

(2) Any customer who is served by the City and who resides outside the corporate limits and who is affected by such rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by such rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the City. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A copy of the proposed rates as well as a representative of the utility able to provide any information requested concerning it, is available to all customers, prospective customers and their agents at the office of the Clarksburg Water Board, 1001 South Chestnut Street, Clarksburg, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia.

By: /s/ Albert N. Cox
President, Clarksburg Water Board

02/17/04
155510.00019

CL911350.2

The Exponent
Telegram
P.O. Box 2000, Clarksburg, West Virginia 26302-2000
Web: http://cpubco.com
E-Mail: Classified@exponent-telegram.com

SARA V. SHINGLETON
Classified Manager

304-626-1415
Toll Free: 1-800-982-6034
Fax: 304-622-3629

PROOF OF PUBLICATION

STATE OF WEST VIRGINIA, COUNTY OF HARRISON
I, Deborah S. Veltri, Advertising Manager of Clarksburg Publishing Company, publisher of The Bridgeport News, weekly newspaper, County and State aforesaid, do hereby certify that

Clarksburg Water Board Proposes Rate Increase

was published **1** time(s) on the **26** day of **FEBRUARY**, **2004**

The cost of said publication is $ **$44.10**

Deborah S. Veltri
Deborah S. Veltri
Advertising Manager

Subscribed and sworn to before me this 10 day of March, 2004

OFFICIAL SEAL
NOTARY PUBLIC
STATE of WEST VIRGINIA
SHELLEY F. RIFFLE
Clarksburg Publishing Co.
PO Box 2000, 324 Hewes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

Shelley F. Riffle
Notary Public of Harrison County, West Virginia

CLARKSBURG WATER BOARD PROPOSES TO INCREASE WATER RATES

The Clarksburg Water Board on February 24, 2004, adopted a resolution increasing rates and charges for furnishing water service to its 8,406 customers in Harrison County.

The proposed increased rates and charges will become effective 45 days after final adoption of such resolution (April 10, 2004), unless otherwise ordered by the Public Service Commission and will produce approximately $416,349 annually in additional revenue, an increase of 7.1%. The average monthly bill for the various classes of customers will increase approximately 5.3%. Individual customers may receive increases that are greater or less than average. The requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission of West Virginia in its review of such rates. The Commission will review and approve or modify the rates upon the filing of a petition within 30 days of the adoption of the ordinance changing said rates and charges by:

(1) Any customer aggrieved by such rates or charges who presents to the Commission a petition signed by not less than 25% of the customers served by the Board; or

(2) Any customer who is served by the Board and who resides outside the corporate limits of the City of Clarksburg and who is affected by such rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by such rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the Board. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia.

The Exponent
Telegram

324 Hewes Avenue, P.O. Box 2000, Clarksburg, West Virginia 26302-2000

Web: http://cpubco.com
E-Mail: Advertising@exponent-telegram.com

DEBORAH S. VELTRI
Advertising Manager

304-626-1413
Toll Free: 1-800-982-6034
Fax: 304-624-9441

PROOF OF PUBLICATION

STATE OF WEST VIRGINIA, COUNTY OF HARRISON
I, Deborah S. Veltri, Advertising Manager of Clarksburg Publishing Company, publisher of The Exponent-Telegram, newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that

PRESS RELEASE CLARKSBURG WATER RATE INCREASE

was published 1 time(s) on 26 days of FEBRUARY, 2004.

The cost of said publication is $ $122.01

Deborah S. Veltri
Deborah S. Veltri
Advertising Manager

Subscribed and sworn to before me this 11 day of March, 2004.

OFFICIAL SEAL
NOTARY PUBLIC
STATE of WEST VIRGINIA
SHELLEY F. RIFFLE
Clarksburg Publishing Co.
PO Box 2000, 324 Hewes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

Shelley F. Riffle
Notary Public of Harrison County, West Virginia

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The proposed increased rates and charges will become effective 45 days after final adoption of such resolution (April 10, 2004), unless otherwise ordered by the Public Service Commission and will produce approximately $416,349 annually in additional revenue, an increase of 7.1%. The average monthly bill for the various classes of customers will increase approximately 5.3%. Individual customers may receive increases that are greater or less than average. The requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission of West Virginia in its review of such rates. The Commission will review and approve or modify the rates upon the filing of a petition within 30 days of the adoption of the ordinance changing said rates and charges by:

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The Exponent
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P.O. Box 2000, Clarksburg, West Virginia 26302-2000

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SARA V. SHINGLETON
Classified Manager

304-626-1415
Toll Free: 1-800-982-6034
Fax: 304-622-3629

PROOF OF PUBLICATION

STATE OF WEST VIRGINIA, COUNTY OF HARRISON
I, Deborah S. Veltri, Advertising Manager of Clarksburg Publishing Company, publisher of The Bridgeport News, weekly newspaper, County and State aforesaid, do hereby certify that

PUBLIC NOTICE CHANGE IN WATER RATES/CLARKSBURG

was published 2 time(s) on the 26 & 4 day of FEBRUARY/MARCH, 2004

The cost of said publication is $ $176.40

Deborah S. Veltri
Deborah S. Veltri
Advertising Manager

Subscribed and sworn to before me this 11 day of March, 2004

OFFICIAL SEAL
NOTARY PUBLIC
STATE of WEST VIRGINIA
SHELLEY F. RIFFLE
Clarksburg Publishing Co.
PO Box 2000, 324 Hewes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

Shelley F. Riffle
Notary Public of Harrison County, West Virginia

PUBLIC NOTICE OF CHANGE IN WATER RATES OF THE CITY OF CLARKSBURG

NOTICE is hereby given that the CLARKSBURG WATER BOARD (the "Board") on February 24, 2004, has adopted a resolution increasing rates and charges for furnishing water service to its 8,406 customers in Harrison County.

The proposed increased rates and charges will become effective 45 days following the final adoption of such resolution (April 10, 2004) unless otherwise ordered by the Public Service Commission (the "Commission") and will produce approximately $416,349 annually in additional revenue, an increase of 7.1%. The increased rates will be as follows:

The average monthly bill for the various classes of customers will be as follows:

TYPE OF CUSTOMER	AVERAGE USAGE (Thousands of Gallons)	($) INCREASE	(%) INCREASE
Residential	4	$ 1.08	5.400%
Commercial	32	3.03	5.334
Industrial	929	128.02	5.286
Public Authority	139	22.07	5.325
Resale	6,883	808.31	5.303

Resale customers of the City of Clarksburg's water system include:

- Town of Anmoore
- City of Bridgeport
- East View Public Service District
- Enlarged Hepzibah Public Service District
- Greater Harrison Public Service District, representing Lost Creek-Mount Clare Public Service District and Valley of Good Hope Public Service District
- Town of Nutter Fort
- City of Shinnston
- Short Line Public Service District
- City of Stonewood
- Summit Park Public Service District
- Sun Valley Public Service District
- Tri-County Water Association

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Commission in its review of this filing. The Commission shall review and approve or modify the rates only upon the filing of a petition within 30 days of the adoption of the resolution changing said rates and charges by:

(1) Any customer aggrieved by such rates or charges who presents to the Commission a petition signed by not less than 25% of the customers served by the City; or

(2) Any customer who is served by the City and who resides outside the corporate limits and who is affected by such rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by such rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the City. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A copy of the proposed rates as well as a representative of the utility able to provide any information requested concerning it, is available to all customers, prospective customers and their agents at the office of the Clarksburg Water Board, 1001 South Chestnut Street, Clarksburg, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia.

By: /s/ Albert N. Cox
President, Clarksburg Water Board

PUBLISHER'S CERTIFICATE

vs.

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE EXPONENT-TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

PUBLIC NOTICE

was published in said THE EXPONENT-TELEGRAM once a week for 2 successive weeks,

commencing on the 26 day of February 20 04

and ending on the 4 day of March 20 04

The publisher's fee for said publication is $ 229.46

Given under my hand this 11 day of March 20 04

Sara V. Shingleton
Classified Manager of The Exponent-Telegram

SEAL

Subscribed and sworn to before me this 11 day of March, 20 04

Shirley F. Ripple
Notary Public in and for Harrison County, WV

My commission expires on the 21 day of July 2009

Form CA-15 E

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHIRLEY F. RIPPLE
Clarksburg Publishing Co.
PO Box 2000, 324 Hawes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

PUBLIC NOTICE OF CHANGE IN WATER RATES OF THE CITY OF CLARKSBURG

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- Town of Nutter Fort
- City of Shinnston
- Short Line Public Service District
- City of Stonewood
- Summit Park Public Service District
- Sun Valley Public Service District
- Tri-County Water Association

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A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia.

By: /s/ Albert N. Cox
President, Clarksburg Water Board

CLARKSBURG WATER BOARD

A Municipal Corporation Serving Clarksburg Since 1887

February 25, 2004

RICHARD D. WELCH
GENERAL MANAGER

DAN L. ADKINS
DIRECTOR OF FINANCE

MEMBERS OF THE BOARD
ALBERT N. COX II, PRESIDENT
JACK KEELEY
PAUL J. HOWE III

JOHN L. DEPOLO
GENERAL COUNSEL

WATER RATE VERIFICATION

The undersigned, Secretary of the Clarksburg Water Board, hereby verifies as follows:

(1) A Press Release announcing the adoption of the proposed rate changes and containing the substance of Tariff Form No. 12, was submitted to the following newspapers:

(i) Clarksburg Exponent - Telegram; and

(ii) Bridgeport News,

to be published on February 26.

(2) A Public Notice of Change in Water Rates of the Town of Clarksburg, containing the substance of Tariff Form No. 12, was submitted to the following newspapers:

(i) Clarksburg Exponent – Telegram; and

(ii) Bridgeport News,

to be published on February 26, and March 4, 2004, the first publication in each newspaper being made within five days after adoption of the Water Rate Resolution.

(3) A Public Notice of Change in Water Rates of the City of Clarksburg, containing the substance of Tariff Form No. 12 was posted in a conspicuous place at the office of the Clarksburg Water Board and the Clarksburg City Hall, beginning on February 25, 2004, being the day after the meeting at which the resolution prescribing the rate change was adopted and which notice will remain posted through March 26, 2004, a date which is subsequent to the expiration of the 30 day appeal period to the Public Service Commission.

Dated this February 25, 2004.

Clarksburg Water Board

By: _____
Richard D. Welch
Secretary / Treasurer and
General Manager

RDW:klf

CITY OF CLARKSBURG

222 WEST MAIN STREET • CLARKSBURG, WV 26301 • PH. (304) 624-1673 • FAX (304) 624-6135

OFFICE OF CITY CLERK

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON,
MUNICIPALITY OF CLARKSBURG, TO-WIT:

I, Annette M. Wright, Clerk of the City of Clarksburg, West Virginia, do hereby declare the attached to be true and accurate copies of the Minutes of the Council of the City of Clarksburg for the regular sessions held on August 5, 2004 and August 19, 2004, respectively. Said Minutes were approved August 19, 2004 and September 2, 2004, respectively, and are of record in my office in Minute Book No. 22, at pages 579 and 587, respectively.

IN TESTIMONY WHEREOF, I have hereunto set my hand and the Official Seal of said City on this the 10th day of September, 2004.

Annette M. Wright

ANNETTE M. WRIGHT, CMC
CITY CLERK
CITY OF CLARKSBURG, WEST VIRGINIA

[SEAL]

Book 22
Page 579

AUGUST 5, 2004

The Clarksburg City Council met in REGULAR SESSION on Thursday, August 5, 2004 at 7:30 P.M. at the Clarksburg Municipal Building – Council Chambers, 222 West Main Street, Clarksburg, West Virginia, with the Honorable Mayor Lopez presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Jo Anne McNemar
Patsy Trecost II
Vice Mayor Dan Thompson
Mayor Sam Lopez

ALSO PRESENT:

Tom Vidovich, City Manager
Greg Morgan, City Attorney
Annette Wright, City Clerk

Following roll call, Councilwoman McNemar offered the opening prayer and Councilman Greaver led in the Pledge of Allegiance.

Mayor Lopez called for petitions, communications and public hearings with the following individuals appearing therefor:

James W. Price, II, 307 Stealey Avenue – appeared before Council to discuss condemned houses on Hart Street in Stealey that need to be demolished. Mr. Price stated that one of the houses in said area has been condemned for 20 years and informed that condemnation signs are being removed and the houses are being rented. Mr. Price requested that something be done to have the houses demolished.

Pastor Jim Lay – addressed Council concerning The Zone's back to school street party. Pastor Lay advised that a back to school party would be held on August 14th and inquired if the Fire Department would fill the dunking booth and offer fire truck rides. Mr. Vidovich provided Pastor Lay with his business card and instructed him to contact him regarding his request.

Michael Spatafore, 1337 N. 19th Street – addressed Council concerning various ideas for revitalization and tourism. Mr. Spatafore displayed a posterboard made by a student for a Social Studies project entitled "Clarksburg – Jewel of the Hills" which depicted various assets of the City. Mr. Spatafore suggested a historical museum, attractions surrounding the birthplace of Stonewall Jackson, the history of General Nathan Goff, etc. which showcases our area. Mr. Spatafore noted the issue of funding and suggested looking for grant monies to make these ideas a reality. Mr. Spatafore remarked that Clarksburg is a wonderful city and that he would like to share our city with the whole nation and requested that he be contacted should there be questions or if he could be of assistance.

Mayor Lopez referenced the reuniting of the Stonewall Jackson Cemetery organization and suggested that these ideas be brought before said organization as well. Councilman Hunt also suggested that Library Board member Fred Siegrist be contacted concerning the Waldomore and potential use thereof regarding the museum ideas.

John Alderman, 36 Millbrook Road – addressed Council concerning his properties at 318, 320, 321 and 323 North Avenue. Mr. Alderman stated that he had a longstanding agreement with the City Engineer to keep said properties for storage as long as he kept the structure maintained and the grass cut. Mr. Alderman stated that he contacted Mr. Soles of the Code Enforcement Department regarding the condemned placards placed on the 320 N. Avenue property and was given a couple of months to fix up the property. Mr. Alderman stated that he has obtained a building permit and that the house is presently being worked on. Mr. Alderman opined that concerns are being raised regarding his properties by disgruntled past renters.

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for approval of the minutes of the Regular Session of Council held on July 15, 2004, Council (work) Session held on July 21, 2004 and Special Session of Council held on July 27, 2004. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 5: **CONSIDERATION OF FIRST READING OF AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO**

MOTION by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar for approval of the above-captioned ordinance on first reading. Under discussion, Bond Counsel Vince Collins addressed Council concerning the above-captioned ordinance. Mr. Collins stated that the Water Board's sludge treatment project would be funded by the above-stated Water Revenue Bonds and that the project has been approved by all necessary agencies with bids having been opened in mid July. The financing terms are 5 ½ percent for 20 years. Mayor Lopez remarked that he would like to have Mr. Dan Atkins of the Water Board attend the upcoming work session to discuss the project in greater detail. Councilman Greaver inquired as to why the city had to sell the bonds with Mr. Collins informing that, pursuant to the Charter, the Water Board does not have the authority to issue bonds. Councilman Hunt expressed appreciation to Water Board member Paul Howe for his attendance this evening. Councilman Hunt referenced the recent increase in the maintenance of fire hydrant fees issued by the Water Board and remarked that the money comes from the same source, the citizens. Councilman Hunt cited a lack of communication between the entities on this project. Councilwoman Bailey expressed concerns with the fee increase in the maintenance of the fire hydrants and the loss of monies from the treatment of the Water Board's sludge. Vice Mayor Thompson questioned whether the proposed plant site of the project was in the city limits. **MOTION CARRIED 4-3 with Councilwoman Bailey, Councilman Greaver and Vice Mayor Thompson casting the dissenting votes.**

AGENDA ITEM NO. 6: **CITY MANAGER'S REPORT/UPDATE**

A. TRAFFIC COMMISSION ITEMS RECOMMENDED FOR APPROVAL:

THE TRAFFIC COMMISSION MET ON WEDNESDAY, JULY 21, 2004 AND TOOK THE FOLLOWING ACTIONS:

- APPROVED REQUEST FOR LOADING ZONE AREA (DURING BUSINESS OPERATION HOURS) FOR 1124-1126-1128 E. MAIN STREET
- APPROVED REQUEST FOR TWO (2) ADDITIONAL STOP SIGNS ON HAMILL AT N. 24TH STREET
- APPROVED REQUEST TO REPLACE TWO (2) YIELD SIGNS ON GOULD AVENUE AT N. 21ST STREET WITH TWO (2) ADDITIONAL STOP SIGNS
- APPROVED REQUEST FOR STOP SIGN FOR GRANT AT NORTH OAK STREET
- APPROVE D REQUEST FOR TWO (2) STOP SIGNS ON STEALEY AVENUE AT BAKER AND ADDITIONAL STOP SIGN FOR TRAVELING EAST ON BAKER AT STEALEY

THE TRAFFIC COMMISSION **TABLED** THE FOLLOWING ITEMS:

- REQUEST FOR YELLOW ACROSS FROM DRIVEWAY FOR 1403 RICHARDS AVENUE. DRIVEWAY IS 33' WIDE AND 27' DEEP – STREET WIDTH IS 18'. YELLOW WOULD BE IN FRONT OF 1412 AND 1416 RICHARDS.
- REQUEST FOR YELLOW ACROSS FROM DRIVEWAY FOR 506 HORNOR. DRIVEWAY IS 10' WIDE – STREET WIDTH IS 18'. YELLOW WOULD BE IN FRONT OF 505 AND 507 HORNOR.
- REQUEST FOR YELLOW ACROSS FROM DRIVEWAY FOR 1120 PENN. DRIVEWAY IS 10' WIDE – STREET WIDTH IS 16'8". YELLOW WOULD BE IN FRONT OF 1119 PENN.
- REQUEST FOR YELLOW ACROSS FROM DRIVEWAY FOR 1507 N. 18TH. DRIVEWAY IS 28' WIDE AND 45' FROM ROAD – STREET WIDTH IS 18'3". YELLOW WOULD BE IN FRONT OF 1506 N. 18TH STREET.

CITY CLERK'S INFORMATION

A. "NOTICE OF APPLICATION TO OPERATE: A PRIVATE CLUB, PRIVATE WINE RESTAURANT OR TAVERN" FILED BY FOLIO BROTHERS, LLC, 211 NORTH 4TH STREET – RETURNED TO APPLICANT ON 7/20/04

B. "NOTICE OF APPLICATION TO OPERATE: A PRIVATE CLUB, PRIVATE WINE RESTAURANT OR TAVERN" FILED BY SHOGUN JAPANESE STEAK HOUSE, 492 EMILY DRIVE – RETURNED TO APPLICANT ON 7/26/04

Mr. Vidovich reported that the State has received from the Lowe's Corporation their signature on a contract whereby they will pay for the traffic signal adjacent to their property. Further, we are in receipt of a letter from THF declaring that it agrees to fund the balance of the cost of the traffic signal for Wal-Mart with Wal-Mart agreeing to fund 75% of said cost.

Mr. Vidovich informed that Council has been invited to tour the Biometrics facility on Thursday, August 19th at 6:00 p.m.

Mr. Vidovich stated that Morgantown City Manager Dan Boroff has invited the Mayor and Council to attend the state conference this Sunday at 6:00 p.m. at the Radisson regarding the consolidation of local governments in the state. Brooks McCabe is heading up this legislative committee.

With regard to the Pike Street Parking project, Mr. Vidovich apprised that the Shaffer property has been acquired through the court system and it is anticipated that the White property will be completed tomorrow.

Mr. Vidovich reported that the administration is evaluating the citywide cell phone usage with U.S: Cellular and Nextel to come to the city and present their program packages. The administration will then compare the cell phone services and packages offered by each.

Mr. Vidovich informed that MSES has provided additional information to the State concerning potential mine portal entrance resulting in the Stealey Avenue slip. A second test was presented at said site with results thereof expected in the relatively near future.

Mayor Lopez inquired as to the requests made for the painting of yellow referenced in the above-stated Traffic Commission items. Mr. Vidovich informed that the request of yellow is being handled in accordance with Council's direction and that the individual making such a request must demonstrate a need therefor.

UNFINISHED BUSINESS:

Councilwoman Bailey expressed her excitement concerning the traffic signals for Emily Drive and commended Anthony Beliotte for getting this accomplished.

Councilwoman Bailey requested that Council give support to the demolition of the garage on Joseph Street which presents a hazard to the community. Mayor Lopez inquired if our Public Works staff could demolish the garage and charge for the labor with Mr. Vidovich informing that he would check into this.

Councilman Hunt referenced the valid concerns raised regarding the properties on North Avenue and remarked that it would be appropriate to use the funds left on the Small Cities to address some of these concerns. Councilman Hunt stated that a previous statement made earlier this evening about a long-standing agreement with the City allowing for the continuous use of properties which are in violation of the Code is a false statement and that such understandings or agreements do not exist. Councilwoman Bailey added that not every condemnation order means demolition but rather that a code violation needs to be addressed.

Councilman Trecost inquired as to the status of the lights on Route 19 with Mr. Vidovich advising that Mr. Bellotte is obtaining project cost information.

NEW BUSINESS:

A. CONSIDERATION OF APPROVAL OF INTERGOVERNMENTAL TRANSFER OF A 1995 CHEVROLET CAPRICE POLICE VEHICLE TO THE CITY OF SALEM

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for the approval of an intergovernmental transfer of a 1995 Chevrolet Caprice police vehicle to the City of Salem. **MOTION APPROVED UNANIMOUSLY**.

B. CONSIDERATION OF AWARD OF BID FOR DEMOLITION OF MARTIN APARTMENTS – AT CORNER OF MILFORD STREET AND FAIRVIEW AVENUE

MOTION by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar to award the bid for the asbestos abatement of the above-captioned apartments to Firth Environmental in the amount of $14,870.00 and to award the bid for the demolition of the above-captioned apartments to Lyons Excavating & Hauling, Inc. in the amount of $48,177.00. Mr. Pedersen confirmed that there might be damage to the sidewalk requiring a future change order with no monies in the bid for contingencies. Mr. Pedersen informed that Firth Environmental would be starting on the 15th and be completed with its work by September 1st. Lyons Excavating will begin the demolition work after September 1st with 60 days allotted for the completion thereof. **MOTION** by Councilwoman Bailey, **SECONDED** by Councilman Trecost to amend the previous motion to include the allowance of $2,500.00 for landscape work. **MOTION, AS AMENDED, APPROVED UNANIMOUSLY**.

C. CONSIDERATION OF AWARD OF BID FOR MAIN STREET/GLEN ELK STREETSCAPE

MOTION by Councilman Hunt, **SECONDED** by Councilman Greaver to **TABLE** the above-captioned item. **MOTION APPROVED UNANIMOUSLY**.

D. CONSIDERATION OF AWARD OF BID FOR 4-WHEEL DRIVE TRACTOR WITH ATTACHED BOOM FLAIL MOWER

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson to award the bid for a 2004 model 4-wheel drive tractor with attached boom flail mower to Hayhurst Equipment in the amount of $34,975.00. **MOTION APPROVED UNANIMOUSLY**.

E. **CONSIDERATION OF AWARD OF BID FOR REGENERATIVE AIR SWEEPER MOUNTED ON AN APPROPRIATE SIZE CAB AND CHASSIS**

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Trecost to award the bid for a regenerative air sweeper mounted on an appropriate size cab and chassis to West Virginia Tractor Company in the amount of $107,200.00. Under discussion, Vice Mayor Thompson inquired if the equipment would be purchased prior to seeing how the equipment operates with Mr. Vidovich requesting that Council rely upon the expertise of the Street Department to make that decision remarking that they put out the bid spec. **MOTION APPROVED UNANIMOUSLY.**

F. **CONSIDERATION OF APPROVAL TO ACCEPT OWNERSHIP OF TWO PROPERTIES LOCATED AT 1204 NORTH 14TH STREET AND 1206 NORTH 14TH STREET IN LIEU OF PAYMENT OF COSTS BY THE PROPERTY OWNERS AND TO APPROVE THE TRANSFER OF BOTH PROPERTIES TO THE HARRISON COUNTY BOARD OF EDUCATION FOR DEVELOPMENT OF A PARKING LOT**

MOTION by Councilman Greaver, **SECONDED** by Councilman Hunt for approval of the above-captioned matter. **MOTION APPROVED UNANIMOUSLY.**

Under **New Business**, Councilman Hunt, in his role as employee of the WV Housing Development Fund, presented to the Mayor the deed for two parcels of property at the Quarry Subdivision noting the generosity and significant contribution of the Housing Fund Board including local member, Mr. Gino Colombo. The property will be utilized for a park area. Councilman Hunt directed the City Manager to prepare a letter of appreciation for the Mayor's signature to be forwarded to the WVHDF. Councilwoman McNemar expressed her appreciation as well.

Councilman Hunt raised a concern that is going across the country with pocket bikes which are being imported from China and marketed at $200-$300. The bike goes up to 40 mph, which poses a safety concern for children. Councilman Hunt requested that the city take action early as a preventive measure by having the City Attorney draft an ordinance for Council's consideration which bans these bikes from use in the city.

Under further **New Business**, Councilman Greaver expressed appreciation to Water Board Member Paul Howe for being present this evening to address the Water Revenue Bonds.

Councilman Trecost noted the letter from Rev. Butcher requesting blacktop at Sycamore with Mr. Vidovich advising that he would consult with Mr. Scarcelli concerning this request and report back to Council. Councilwoman Bailey also noted a drainage problem at said location.

Councilman Trecost inquired about a city slogan noting the information relative thereto provided by the CVB Executive Director, Kathryn Titus. Councilman Trecost suggested that we explore ideas for a city slogan.

Vice Mayor Thompson commented that the trees located in front of Arby's and Denny's along Emily Drive present a visibility concern. Mr. Vidovich noted the same.

Vice Mayor Thompson advised that the grass and trees along Route 50 need attention and suggested that our people cut the grass, as the State has not been able to get to it.

Councilwoman McNemar extended appreciation to Paula Hardman for obtaining 4,000 gunlocks, which were distributed at the National Night Out event. Chief Walker advised that anyone wishing to obtain gunlocks could contact his office.

Councilwoman McNemar informed that a basic grant writing seminar is scheduled for Friday, August 6th from 1:00 p.m. to 3:00 p.m. in Council Chambers with attendance open to interested parties at no cost. The same seminar will be repeated on Friday evening.

Councilwoman McNemar advised that the structure located at 837 Locust Avenue which displays a condemnation placard needs to be secured.

Councilwoman Bailey commented that there are two new businesses coming to NewPointe.

MOTION by Councilman Hunt, **SECONDED** by Councilman Greaver for approval of the above-captioned Traffic Commission items. **MOTION APPROVED UNANIMOUSLY.**

G. CONSIDERATION OF CITY MANAGER'S EVALUATION AND ADJUSTMENTS OR MODIFICATIONS TO THE EMPLOYMENT CONTRACT

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Trecost to adjourn into Executive Session pursuant to Chapter 6, Article 9A, Section 4 of the West Virginia Code, to discuss personnel matters and that the following persons be present: Mayor and Members of Clarksburg City Council, City Manager and City Attorney. **MOTION APPROVED UNANIMOUSLY.**

Following Executive Session, **MOTION** by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson to reconvene into Regular Session. **MOTION APPROVED UNANIMOUSLY.**

MOTION by Councilman Trecost, **SECONDED** by Councilwoman Bailey to allow the contract of Tom Vidovich, City Manager, to expire on January 1, 2005 and to direct the City Attorney to negotiate with Mr. Vidovich relative thereto. **MOTION CARRIED 4-3 with Councilmen Greaver and Hunt and Vice Mayor Thompson casting the dissenting votes.**

There being no further business to come before Council, **MOTION** by Councilman Trecost, **SECONDED** by Councilwoman Bailey for adjournment, **MOTION APPROVED UNANIMOUSLY.**

Sam Lopez

Mayor Sam Lopez

August 19, 2004

Approved

Annette M. Wright

Annette M. Wright, City Clerk

AUGUST 19, 2004

The Clarksburg City Council met in REGULAR SESSION on Thursday, August 19, 2004 at 7:30 P.M. at the Clarksburg Municipal Building – Council Chambers, 222 West Main Street, Clarksburg, West Virginia, with the Honorable Mayor Lopez presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Jo Anne McNemar
Patsy Trecost II
Vice Mayor Dan Thompson
Mayor Sam Lopez

ALSO PRESENT:

Frank Ferrari, Interim City Manager
John Lanham, City Attorney's Office
Annette Wright, City Clerk

Following roll call, Councilwoman Bailey offered the opening prayer and Vice Mayor Thompson led in the Pledge of Allegiance.

Mayor Lopez called for petitions, communications and public hearings with the following individual appearing therefor:

Edward Way, 261 Buena Vista Avenue – addressed Council concerning a request for STOP signs/Slow Children Playing Signs/15 MPH signs on Buena Vista Avenue. Mr. Way stated that a sign is needed at the noted location due to speeding traffic and that he has been trying to get a sign installed for some time. Mr. Way informed of an accident wherein a vehicle struck his small grandchildren who were playing nearby. Mayor Lopez advised Mr. Way that his request would be brought before the Traffic Commission with Interim City Manager Frank Ferrari noting the same for attention. Brief discussion was held concerning the posting of the speed limit and the enforcement thereof.

Council deviated from the Agenda for the following presentation:

Councilwoman Bailey and Councilwoman McNemar announced that the City of Clarksburg recently received an All-Star Community Award by the West Virginia Municipal League at its Annual Conference held in Morgantown. The award was received for the city's demolition program made possible by the West Virginia Housing Development Fund and the Clarksburg Urban Renewal Authority. Mayor Lopez expressed appreciation to Councilman Hunt and the West Virginia Housing Development Fund and to URA Chairperson Georgia Hatfield and URA member Libby Stout who were in attendance.

In noting the recently held WVML Conference, Councilman Hunt announced that Councilman Terry Greaver was elected as Secretary of the West Virginia Municipal League.

MOTION by Vice Mayor Thompson, **SECONDED** by Councilman Hunt for approval of the minutes of the Regular Session of Council held on August 5, 2004, Special Session of Council held on August 10, 2004 and Council (work) Session held on August 10, 2004. **MOTION APPROVED UNANIMOUSLY**.

AGENDA ITEM NO. 5: **CONSIDERATION OF SECOND READING OF AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED**

OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for approval of the above-captioned ordinance on second reading. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 6: **CONSIDERATION OF A RESOLUTION OF THE COUNCIL OF THE CITY OF CLARKSBURG, WEST VIRGINIA, AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, WITH REGARD TO ESTABLISHMENT AND MAINTENANCE OF A TRAFFIC SIGNAL SYSTEM WITHIN THE MUNICIPAL LIMITS OF THE CITY OF CLARKSBURG, HARRISON COUNTY, WEST VIRGINIA**

MOTION by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar for adoption of the above-captioned resolution. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 7: **CITY MANAGER'S REPORT/UPDATE**

Interim City Manager Frank Ferrari stated that Council received a written report in their packets and briefly discussed the same. The written contained the following updates:

1. **Repair of Emily Drive Road Slide – WV Department of Highways** – The West Virginia Division of Highways (DOH) informed the City Engineer that the DOH has completed its design to correct and repair road slide repairs along Emily Drive between EastPointe and NewPointe.

   The project has been advertised for bid with the bid opening date scheduled for August 24. The estimated project cost is $300,000.

   The road repairs are very much needed. With the heavy volume of traffic on Emily Drive the slide is very dangerous and unsafe to motorists and is a travel inconvenience.

2. **Approved – Pending Applications – Neighborhood Sidewalk Program**

   Per prior discussions and direction from Council at a recent Work Session, and for budget reasons, a letter was issued to all property owners with pending applications under the Neighborhood Sidewalk Program. The individuals were advised that their applications will not be funded this summer and will be considered in the spring and summer of 2005. The pending applications will be given priority in the order in which they were received and also given priority over any future applications.

   The property owners whose applications were approved were notified and given until October 1 to obtain a building permit for the work and given until November 15 to complete their projects.

3. **West Pike Street Parking Project** – Council discussed and reviewed various options and alternatives for the West Pike Street Parking Project at its August 10 Work Session. The 5 alternatives were submitted to the State Historic Preservation Office (SHPO) by the City's consultants, Associated Architectural Consultants (AAC). SHPO provided a response letter dated August 5 listing its comments on the various alternatives.

City Council agreed at last week's Work Session to recommend and approve Alternative #5. This alternative would involve construction of a 2-story, 185 space parking facility and would involve acquisition and demolition of eight (8) properties in the middle of West Pike Street between South Third Street and South Fourth Street, excluding the Doctor's Building and the Candyland Building on South Fourth Street. Council will consider official approval of Alternative Plan #5 at tonight's meeting.

AAC sent a letter to SHPO August 11 to advise them of Council's position. The consultants have also requested the comments of the Harrison County Historic Landmarks Commission.

All properties to be purchased required for the project have been acquired. A final order has been entered by the Circuit Court for the 4 properties owned by the Shaffer family and an order has been or will be entered for the property owned by Martha Lou White after agreement was reached by the attorneys for both parties on August 4 in meeting with the Circuit Judge.

The Mayor and I will schedule a meeting next week with the project consultants to discuss pending issues and develop a timetable for demolition and construction of the project.

4. **Demolition – Martin Apartments – Corner Milford Street & Fairview Avenue** -

   Council awarded the bids for asbestos abatement and demolition of the Martin Apartments on Thursday, August 5. The contractors have been requested to provide insurance certificates and bonds to the City's consultant Ralph Pedersen by August 16. Contracts will then be signed and a Notice To Proceed will be issued. The asbestos abatement contractor has already began preliminary work on the project.

5. **Downtown – Main Street Streetscape** – City Council awarded the bid for the streetscape on August 10. The City's consultant, Hornor Brothers, provided a Notice of Award to the contractor awarded the bid for the project and requested contractor to obtain bonds and insurance certificates.

   The contractor is requested to commence work the week of September 7 after the Italian Festival.

   Mr. Ferrari included the following to his Manager's Report:

   - **Budget Digest Information Sheet** – Received the Budget Digest Information Sheet this week for our three Budget Digest awards: sidewalks, Eagle Way lights and computer equipment. At the next meeting, Council will be required to adopt a resolution authorizing the Mayor to sign the Budget Digest Information Sheet which means the City will agree to accept those funds. A grant contract will need to be executed before we can get the projects moving.

   - Bids will be open on Friday for the four-wheel loader and presented to Council at the next regular meeting.

UNFINISHED BUSINESS:

Councilman Trecost inquired as to when we will be getting the new street sweeper with Mr. Ferrari advising that it will most likely take approximately 120 days. Councilman Trecost stated that once we have the sweeper, it needs to be operated immediately and streets need to be posted which are to be cleaned. Councilman Trecost noted the impact that the look of our streets has on economic development.

Councilwoman Bailey inquired about the intersection stamping with Mr. Ferrari advising that it should be done shortly after the Italian Festival with the contractor planning to do the stamping and paving in the same evening.

Councilwoman Bailey remarked that the new traffic signals are very nice and fit in well with the décor of the streetscape. Councilwoman Bailey also remarked that Milford Street is in much better condition.

Councilman Trecost informed of the following: Pride Avenue, between 16th Street and 17th Street, needs cleaned; James Street alley needs re-graveled; water running down the street due to heavy rain causes flooding at 1922 Pride Avenue; and the wall on 4th Street is still in need of repair. Brief discussion was held concerning the ownership of the wall with confirmation that the wall is owned by the city. Mr. Ferrari noted the same for attention. Councilman Trecost stated that he has presented four items for Code Enforcement and four items under Unfinished Business and requested that the City Manager address the status thereof at the next meeting.

NEW BUSINESS:

A. CONSIDERATION OF APPOINTMENT TO THE BOARD OF PARK COMMISSIONERS

MOTION by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar to reappoint John Angiulli to the Board of Park Commissioners. **MOTION APPROVED UNANIMOUSLY.**

B. CONSIDERATION OF TWO (2) APPOINTMENTS TO THE BOARD OF ZONING APPEALS

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson to appoint Thomas Allen and Boyd Vanhorn to the Board of Zoning Appeals. **MOTION APPROVED UNANIMOUSLY.**

C. CONSIDERATION OF APPOINTMENT TO THE PLANNING AND ZONING COMMISSION

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson to appoint Dortha Parsons to the Planning and Zoning Commission. **MOTION APPROVED UNANIMOUSLY.**

D. CONSIDERATION OF APPOINTMENT TO THE PARKING AUTHORITY

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Trecost to appoint Michael Maunz to the Parking Authority. **MOTION APPROVED UNANIMOUSLY.**

E. CONSIDERATION OF APPROVAL OF A PLAN FOR CONSTRUCTION OF A TWO-STORY, 185 SPACE PARKING STRUCTURE ON WEST PIKE STREET BETWEEN SOUTH 3RD AND SOUTH 4TH STREETS

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for approval of the above-stated plan. **MOTION APPROVED UNANIMOUSLY.**

Under **New Business**, Councilman Hunt reiterated his request from a previous Council meeting to send a letter of appreciation to the WV Housing Development Fund for their donation of property to be utilized for a park at the Quarry subdivision.

Councilman Hunt noted the monies put into Milford Street, the new traffic signals, etc. by the State and directed that a letter of appreciation be sent to our delegates, senators and the Governor.

Councilman Hunt commented that we are very fortunate to have the support that we have had and also noted the Emily Drive project to be undertaken as well.

Councilman Hunt requested an update on the Clark Street Bridge and commented that we need to keep up on the project.

Councilman Hunt referenced the wall noted by Councilman Trecost in need of repair and commented that we need to attend to the matter. Councilman Hunt further stated he would like us to look at the area in Stealey across from the old Barrett's Locksmith which is the old right-of-way for the streetcar tracks. Councilman Hunt requested that we look into filling the area to prevent vehicles from parking there.

Councilman Greaver remarked that with the new appointments to the boards and commissions, it might be a good idea to set up a training session for all the board/commission members to learn about the Open Governmental Proceedings Act which is conducted by Mr. Vince Collins of Steptoe & Johnson. Councilman Greaver added that a small reception could also be held at that time as well to recognize and express appreciation to the board/commission members for their commitment and time in serving the City.

Councilman Trecost advised that the North View Methodist Church and the Baptist Church have had problems with destruction of property by skateboarders. Officer Hilliard remarked that skateboards have been confiscated in the past; however, once returned the problems again occur. Discussion was held concerning the need for a skate park with Councilwoman McNemar remarking that we need to provide a place for these kids to skateboard and that we have a responsibility to our youth.

Councilman Trecost stated that the potholes on Wilson Street need addressed with Vice Mayor Thompson adding that other matters also need attention on Wilson Street as well.

Councilwoman McNemar announced that the Clarksburg Community Coalition for the Prevention of Underage Drinking has been asked to be one of the featured speakers at the annual statewide conference on substance abuse prevention held in November. Councilwoman McNemar remarked that we are the first in the country to present underage drinking prevention as a forum process including all the studies, surveys, etc.

Councilwoman Bailey thanked Mr. Ferrari for assuming the position of Interim City Manager and expressed her hope for a productive period of transition while looking for a new City Manager.

Councilman Hunt remarked on the skate park issue referenced earlier and commented that we need to make a concerted effort as a Council to ask the Park Board to aggressively pursue a location for a the skate park. Councilman Hunt added that skateboarding is one of the most popular sports in the country and that we owe it to our kids to provide a place for this activity. Councilwoman McNemar commented that we may need to remind our general population that kids need alternative activities. Council was in agreement that a location needed to be found for the placement of the skate park.

Pursuant to Chapter 6, Article 9A, Section 4 of the West Virginia Code, **MOTION** by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar to adjourn into Executive Session to discuss matters involving the purchase, sale or lease of property, advance construction planning, the investment of public funds or others matters involving competition which, if made public, might adversely affect the financial or other interests of the City and that the following persons be present: Mayor and Members of City Council, Interim City Manager and City Attorney. Council will reconvene for the purposes of adjournment only. **MOTION APPROVED UNANIMOUSLY**.

There being no further business to come before Council, **MOTION** made, **SECONDED** and **APPROVED UNANIMOUSLY** for adjournment.

Mayor Sam Lopez

September 2, 2004
Approved

Annette M. Wright, City Clerk

CITY OF CLARKSBURG

222 WEST MAIN STREET • CLARKSBURG, WV 26301 • PH. (304) 624-1673 • FAX (304) 624-6135

OFFICE OF CITY CLERK

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON,
MUNICIPALITY OF CLARKSBURG, TO-WIT:

I, Annette M. Wright, Clerk of the City of Clarksburg, West Virginia, do hereby declare the attached to be a true and accurate copy of the Minutes of the Council of the City of Clarksburg for the special session held on August 10, 2004. Said Minutes were approved August 19, 2004 and are of record in my office in Minute Book No. 22, at page 585.

IN TESTIMONY WHEREOF, I have hereunto set my hand and the Official Seal of said City on this the 23rd day of September, 2004.

Annette M. Wright

ANNETTE M. WRIGHT, CMC
CITY CLERK
CITY OF CLARKSBURG, WEST VIRGINIA

[SEAL]

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AUGUST 10, 2004

The Clarksburg City Council met in SPECIAL SESSION on Tuesday, August 10, 2004 at 6:00 P.M. at the Clarksburg Municipal Building – Council Chambers, 222 West Main Street, Clarksburg, West Virginia, with the Honorable Mayor Lopez presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Jo Anne McNemar
Patsy Trecost, II
Vice Mayor Dan Thompson
Mayor Sam Lopez

ALSO PRESENT:

Annette Wright, *Acting City Manager*
Paula Hardman, City Clerk's Office
Greg Morgan, City Attorney

Following roll call, Council proceeded with the following agenda items:

CONSIDERATION OF AWARD OF BID FOR MAIN STREET/GLEN ELK STREETSCAPE

MOTION by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar to award the bid for the Main Street/Glen Elk Streetscape to Ohio-West Virginia Excavating Company in an amount not to exceed $472,613.25. Under discussion, Mr. Morgan discussed the contents of the letter from Hornor Bros. Engineering dated August 4, 2004 to Mr. Anthony Bellotte, which sets forth various options and the amounts thereof. Mr. Morgan advised that pursuant to the scope of the project, Glen Elk could not be done as a change order. Councilman Hunt stated that when the project came in overbid, Council directed that the project be rebid with the ability to have deducts to prevent the spending of unbudgeted monies. Councilman Hunt further stated that the information presented was not what Council asked for. **MOTION CARRIED 4-3 with Councilman Greaver, Councilman Hunt and Vice Mayor Thompson casting the dissenting votes.**

CONSIDERATION OF A CONTRACT TERMINATION AGREEMENT BETWEEN THE CITY OF CLARKSBURG AND THOMAS P. VIDOVICH

MOTION by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar for approval of the contract termination agreement between the City of Clarksburg and Thomas P. Vidovich. Under discussion, Mr. Morgan explained that the contract, which he has presented for Council's review, replaces the existing contract. Mr. Morgan informed that Mr. Vidovich agreed to remain on the payroll throughout the year with a lump sum payment of the balance due him to be paid on or before January 10, 2005. Mr. Morgan discussed the terms of the contract and confirmed that the approximate total amount owing to Mr. Vidovich is slightly under $63,000. Councilman Hunt remarked that he would hope that the handling of employees would be done more professionally in the near future. Councilman Hunt expressed his discontent with the manner in which the City Manager's contract was handled at the time of his evaluation. Mayor Lopez stated that he informed Council that the contract would be handled at the same time of the evaluation. Councilwoman Bailey commented that this allows Mr. Vidovich time in which to seek other employment and that he did have the option to work out his contract. **MOTION CARRIED 4-3 with Councilman Greaver, Councilman Hunt and Vice Mayor Thompson casting the dissenting votes.**

CONSIDERATION OF APPOINTMENT OF INTERIM CITY MANAGER

MOTION by Councilman Trecost, **SECONDED** by Councilwoman Bailey to appoint Finance Director Frank Ferrari as Interim City Manager for an indefinite time period. **MOTION** by Councilman Hunt, **SECONDED** by Councilman Greaver to amend the motion to allow for the appointment for a period of 100 days. Concluding discussion of the time period, **MOTION** by Councilman Hunt, **SECONDED** by Councilman Greaver to further amend the motion to allow for the appointment for a period of 120 days. **MOTION, WITH ALL AMENDMENTS THERETO, APPROVED UNANIMOUSLY.**

There being no further business to come before Council, **MOTION** by Councilwoman Bailey, **SECONDED** by Councilwoman McNemar and **APPROVED UNANIMOUSLY** for adjournment.

Sam Lopez

Mayor Sam Lopez

August 19, 2004

Approved

Annette M. Wright

Annette M. Wright, City Clerk

CITY OF CLARKSBURG

222 WEST MAIN STREET • CLARKSBURG, WV 26301 • PH. (304) 624-1673 • FAX (304) 624-6135

OFFICE OF CITY CLERK

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON,
MUNICIPALITY OF CLARKSBURG, TO-WIT:

I, Annette M. Wright, Clerk of the City of Clarksburg, West Virginia, do hereby declare the attached to be true and accurate copies of the Minutes of the Council of the City of Clarksburg for the regular session held on September 2, 2004 and the special session held on September 9, 2004, respectively. Said Minutes were approved October 7, 2004 and are of record in my office in Minute Book No. 22, at pages 595 and 600, respectively.

IN TESTIMONY WHEREOF, I have hereunto set my hand and the Official Seal of said City on this the 8th day of October, 2004.

Annette M. Wright

ANNETTE M. WRIGHT, CMC
CITY CLERK
CITY OF CLARKSBURG, WEST VIRGINIA

[SEAL]

SEPTEMBER 2, 2004

The Clarksburg City Council met in REGULAR SESSION on Thursday, September 2, 2004 at 7:30 P.M. at the Clarksburg Municipal Building - Council Chambers, 222 West Main Street, Clarksburg, West Virginia, with the Honorable Mayor Lopez presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Patsy Trecost II
Vice Mayor Dan Thompson
Mayor Sam Lopez

ALSO PRESENT:

Frank Ferrari, Interim City Manager
Greg Morgan, City Attorney
Annette Wright, City Clerk

COUNCIL MEMBER(S) ABSENT:

Jo Anne McNemar

Following roll call, Councilman Trecost offered the opening prayer and Councilwoman Bailey led in the Pledge of Allegiance.

Mayor Lopez deviated from the agenda for the following presentations:

On behalf of Council, Councilwoman Bailey presented a proclamation to Dr. Gambino proclaiming September 18th as "Kids Day America International" in the city of Clarksburg. Dr. Gambino invited Council to this third annual event which will be held from 12:00 p.m. to 3:00 p.m. at his chiropractic office.

On behalf of Council, Councilman Greaver and Councilman Hunt recognized the many years of dedicated service to the city of Clarksburg by retiring Planning & Zoning Board member Donald Douglas and retiring Board of Zoning Appeals member John Thrasher. Both gentlemen were presented plaques with many of their fellow board members in attendance for this special presentation. Councilman Hunt read a letter from Planning & Zoning Chairman Pat Shaffer who could not be present expressing Mr. Shaffer's appreciation to Mr. Douglas for his countless hours of dedication to the city.

Chief Walker recognized Officers Robert Matheny, Timothy Barnes and Steve Singleton for apprehending an individual while in the act of committing a felony. Chief Walker informed that Mr. and Mrs. Tommy Snyder called 911 to report the crime with said officers responding thereto. Chief Walker presented certificates to the officers and to the Snyders.

Mayor Lopez called for petitions, communications and public hearings with no one appearing therefor.

MOTION by Vice Mayor Thompson, **SECONDED** by Councilwoman Bailey for approval of the minutes of the Regular Session of Council held on August 19, 2004 and Special Session of Council held on August 24, 2004. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 5: **CONSIDERATION OF THIRD AND FINAL READING AND PUBLIC HEARING OF AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT**

AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

The City Clerk announced that notices regarding the Public Hearing appeared in *The Clarksburg Exponent/Telegram* on August 21, 2004 and August 28, 2004 and that the Publisher's Certificates would be filed with the permanent record.

Mayor Lopez declared the Public Hearing open with no one speaking therefor. Upon closing the Public Hearing, **MOTION** by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for approval of the above-captioned ordinance on third and final reading. **MOTION APPROVED UNANIMOUSLY**.

AGENDA ITEM NO. 6: **CONSIDERATION OF A RESOLUTION OF THE COUNCIL OF THE CITY OF CLARKSBURG AUTHORIZING ACCEPTANCE AND USE OF GOVERNOR'S LOCAL ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM (LEDA) GRANT FUNDS IN THE AMOUNT OF $5,000 THROUGH THE FISCAL YEAR 2005 LEGISLATIVE BUDGET DIGEST FOR PURCHASE OF COMPUTERS AND SOFTWARE**

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for adoption of the above-captioned resolution. **MOTION APPROVED UNANIMOUSLY**.

AGENDA ITEM NO. 7: **CONSIDERATION OF A RESOLUTION OF THE COUNCIL OF THE CITY OF CLARKSBURG AUTHORIZING ACCEPTANCE AND USE OF GOVERNOR'S LOCAL ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM (LEDA) GRANT FUNDS IN THE AMOUNT OF $45,000 THROUGH THE FISCAL YEAR 2005 LEGISLATIVE BUDGET DIGEST FOR NEIGHBORHOOD SIDEWALK IMPROVEMENTS**

MOTION by Councilman Greaver, **SECONDED** by Councilman Hunt for adoption of the above-captioned resolution. **MOTION APPROVED UNANIMOUSLY**.

AGENDA ITEM NO. 8: **CONSIDERATION OF A RESOLUTION OF THE COUNCIL OF THE CITY OF CLARKSBURG AUTHORIZING ACCEPTANCE AND USE OF GOVERNOR'S LOCAL ECONOMIC DEVELOPMENT ASSISTANCE PROGRAM (LEDA) GRANT FUNDS IN THE AMOUNT OF $5,000 THROUGH THE FISCAL YEAR 2005 LEGISLATIVE BUDGET DIGEST FOR INSTALLATION OF STREET LIGHTS ON EAGLE WAY IN THE CITY OF CLARKSBURG**

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for adoption of the above-captioned resolution. **MOTION APPROVED UNANIMOUSLY**.

AGENDA ITEM NO. 9: **CITY MANAGER'S REPORT/UPDATE**

Mr. Ferrari provided the following written report to Council in their packets and read the same aloud:

1. **Skateboard Park** – At the last meeting, Council made it quite clear that they wanted to see the Park Board move quickly with the relocation of the skateboard park. A letter received from Park Board Superintendent John Cooper advised that one of the contractors currently working on the VA Nursing Home project near the VA Park has agreed to excavate and clear an area for location of the park. The contractor has agreed to complete this work at no charge to the Park Board. The contractor has also agreed to pave the lot at no cost. This work will be done next spring. The only cost to the Park Board will be the erection of a fence around the park. Mr. Cooper has said that discussions and negotiations are currently on-going with a downtown property owner about the possibility of the skateboard park locating in the downtown.

2. **House Demolition - Small Cities Block Grant** –

The demolition of nine (9) residential structures located in Group II and III, and funded under the City's $250,000 Small Cities Block Grant has now been completed. Bids for these demolitions were awarded by Council back in May.

The location of the Group II and III structures that have been demolished are as follows:

1. 1912 North 21st Street
2. 324 1/2 Glen Avenue
3. 507 Wilson Street
4. 1204 North 14th Street
5. 1206 North 14th Street
6. 311 Duff Avenue
7. 114 Jasper Street
8. 432 1/2 Ben Street
9. 212 Haymond Highway

Asbestos removal of the Martin Apartments located at 203 Fairview Avenue has now been completed. Demolition work on the structure is scheduled to begin next week with all work to be completed by November 1. The demolition of the Martin Apartments is also being funded with Small Cities Block Grant funds.

After the apartments are demolished, assuming no large project change orders, there should be sufficient funds remaining in the $250,000 SGBG to demolish an additional three to five residential structures.

Code Enforcement Supervisor Barry Soles has been directed to provide a list of ten structures which, in his opinion, are in need of immediate demolish. The list will be provided to Council at the October work session. Council could then review and prioritize the list. After approval by Council, demolition could then be immediately advertised on the first three to five structures on the list, with the remaining structures on the list to be demolished under the Small Cities Block Grant, if the City is awarded all or part of its 2nd Small Cities Block Grant. The City has a grant application pending in the amount of $500,000.

3. **Bids - 4 by 4 Wheel Loader - Public Works Department** - Bids were opened on Friday, August 27 for a 4 by 4 Wheel Loader for the Public Works Department. The equipment is being funded with proceeds of a $543,000 loan approved by Council earlier this year.

A total of five bids were received and vendor completion resulted in a very good bid for the equipment. Two of the vendors who were present at the bid opening stated that the low bid submitted by West Virginia Tractor is less than their company's cost for the equipment. Council will consider awarding the bid under New Business at Thursday's meeting. Mr. Bellotte will be present to answer any questions Council may have prior to considering the award.

4. **$100,000 Homeland Security Grant** - The City was awarded a $100,000 Homeland Security Grant by the West Virginia Office of Emergency Services in early July. City staff has been working to develop plans and specifications for expenditures of the grant funds for presentation to and approval by Council.

   Included in the grant are funds for purchase and installation of a security system in City Hall. It will be a keyless entry system and will include monitoring cameras. Suggestions and input on the proposed system were solicited from the Employee Benefit Committee and has been discussed with Department Heads within City Hall. A presentation on the system recommendations of the administration will be provided to Council at next Thursday's work session. After approval by Council, we will advertise for competitive bid for the security system and other equipment funded with the grant, with the bid awards to occur in October.

   The City will be eligible and will apply for additional Homeland Security Grant funds later this year or early next year during an application period to be established by WVOES.

5. **Downtown Streetscape Project** - Agreements have been executed with work to begin next week. Work will begin on the City Hall side of Main Street, then move to the other side then on to the Glen Elk section included in the project.

CITY CLERK'S INFORMATION: "NOTICE OF APPLICATION TO OPERATE: A PRIVATE CLUB, PRIVATE WINE RESTAURANT OR TAVERN" FILED BY LOTTERY OUTLET d/b/a CHARLEY'S 2, 315-317 BROADWAY AVENUE

UNFINISHED BUSINESS: NONE.

NEW BUSINESS:

A. CONSIDERATION OF AWARD OF BID FOR 4X4 WHEEL LOADER FOR PUBLIC WORKS DEPARTMENT

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Trecost to award the bid for the 4x4 Wheel Loader for the Public Works Department to the lowest bidder, West Virginia Tractor Company in the amount of $79,950. **MOTION APPROVED UNANIMOUSLY**.

B. CONSIDERATION OF APPROVAL OF SALE OF CITY PROPERTY LOCATED IN THE REAR OF 422 BEN STREET

MOTION by Councilman Trecost, **SECONDED** by Councilwoman Bailey to approve the sale of city property located in the rear of 422 Ben Street to Mr. Emmett Wilkinson, Jr. for $600. Under discussion, Councilman Hunt inquired if there were any liens on the property with Mr. Ferrari informing that he would check his master list of liens and report back to Council. Brief discussion was held concerning grass cutting fees with Mr. Ferrari advising that the few who did not pay were sued in Magistrate Court with approximately 10 to 12 properties cut by the city. Councilman Hunt suggested that we contract with local landscapers to cut the grass noting that our ordinance allows us to recover the cost which can be collected through the courts, if necessary. Councilman Hunt noted the problem with high grass and that the Public Works Department is being taken away from other duties to handle the grass concerns. Mr. Ferrari stated that the Public Works does have monies for contracted services and should Council want to do so, a line item could be established for grass cutting services. Mayor Lopez noted that a majority of the lots being cut are vacant houses that we are not getting paid for and cautioned that we not take funds away that could be used for other things. Mr. Ferrari remarked that he could look into this further and present his information at a future meeting. **MOTION APPROVED UNANIMOUSLY**.

C. **CONSIDERATION OF APPROVAL OF MEMORANDUM OF AGREEMENT BETWEEN THE CITY AND THE WEST VIRGINIA STATE HISTORIC PRESERVATION OFFICE RELATING TO THE WEST PIKE STREET PARKING GARAGE**

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Hunt for approval of a Memorandum of Agreement between the City and the West Virginia State Historic Preservation Office relating to the West Pike Street Parking Garage. **MOTION APPROVED UNANIMOUSLY**.

D. **CONSIDERATION OF DISPENSING WITH THE REGULAR SESSION OF COUNCIL TO BE HELD ON SEPTEMBER 16, 2004**

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Greaver to dispense with the regular session of Council to be held on September 16, 2004. **MOTION APPROVED UNANIMOUSLY**.

Under **New Business**, Vice Mayor Thompson inquired if the handicapped parking spot located in back of City Hall was for 24 hours a day with Chief Walker responding affirmatively. Vice Mayor Thompson noted the consistent occupancy of said parking spot by vehicles that do not display a handicapped placard.

Councilman Hunt announced that the National League of Cities is requesting that towns and cities all across America participate in the "The American Dream Campaign" by holding a council meeting on September 28th to discuss the growing disparities in America. Councilman Hunt informed that individuals could be invited to discuss some of the issues of housing, education, etc. on said date.

Concluding with closing remarks of appreciation to all who attended the meeting, appreciation extended to our dedicated board and commission members, and there being no further business to come before Council, **MOTION** by Councilman Hunt, **SECONDED** by Councilwoman Bailey for adjournment. **MOTION APPROVED UNANIMOUSLY**.

Sam Lopez

Mayor Sam Lopez

October 7, 2004

Approved

Annette M. Wright

Annette M. Wright, City Clerk

SEPTEMBER 9, 2004

The Clarksburg City Council met in SPECIAL SESSION on Thursday, September 9, 2004 at 6:00 P.M. at the Waldomore, 404 West Pike Street, Clarksburg, West Virginia, with the Honorable Mayor Lopez presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Patsy Trecost II
Vice Mayor Dan Thompson
Mayor Sam Lopez

ALSO PRESENT:

Frank Ferrari, Interim City Manager
Greg Morgan, City Attorney
Annette Wright, City Clerk

COUNCIL MEMBER(S) ABSENT:

Jo Anne McNemar

Following roll call, Council proceeded with the following agenda item:

CONSIDERATION OF A SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

MOTION by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for adoption of the above-captioned resolution. Under discussion, Council requested an explanation of said resolution with Mr. Tom Aman of Steptoe & Johnson informing that the above-entitled resolution sets forth the date the payments start, the amount, the specifics of the terms of the bond issue, the final arrangements, etc. **MOTION APPROVED UNANIMOUSLY**.

There being no further business to come before Council, **MOTION** by Councilwoman Bailey, **SECONDED** by Vice Mayor Thompson for adjournment. **MOTION APPROVED UNANIMOUSLY.**

Sam Lopez
Mayor Sam Lopez

October 7, 2004
Approved

Annette M. Wright
Annette M. Wright, City Clerk

NOTICE OF PUBLIC HEARING ON CITY OF CLARKSBURG BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Clarksburg (the "City") to be held on September 2, 2004, at 7:30 p.m., prevailing time, in the Council Chambers at the Clarksburg City Hall, 222 West Main Street, Clarksburg, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on August 19, 2004.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Clarksburg Water Board. The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the Clarksburg Water Board. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon final reading.

Dated: August 20, 2004.

/s/Thomas Vidovich
City Manager

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Shelley F. Riffle
Clarksburg Publishing Co.
PO Box 2000, 324 Hawes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

PUBLISHER'S CERTIFICATE

vs.

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE EXPONENT-TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

NOTICE OF PUBLIC HEARING

was published in said THE EXPONENT-TELEGRAM once a week for 2 successive weeks,

commencing on the 21 day of August 20 04

and ending on the 28 day of August 20 04

The publisher's fee for said publication is $ 83.37

Given under my hand this 9 day of September 20 04

Sara V. Shingleton
Classified Manager of The Exponent-Telegram

SEAL

Subscribed and sworn to before me this 8 day of September, 20 04

Shelley F. Riffle
Notary Public in and for Harrison County, WV

My commission expires on the 21 day of July 2009.

ENVELOPE POSTMARK DATE OCT 01 2004

FILE COPY

Form **8038-G** (Rev. November 2000) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name: City of Clarksburg

2 Issuer's employer identification number: 55 6000164001

3 Number and street (or P.O. box if mail is not delivered to street address): 222 West Main Street — Room/suite

4 Report number: 3 2004-2

5 City, town, or post office, state, and ZIP code: Clarksburg, WV 26301

6 Date of issue: 9/28/04

7 Name of issue: Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority)

8 CUSIP number: None

9 Name and title of officer or legal representative whom the IRS may call for more information: Frank Ferrari, City Manager

10 Telephone number of officer or legal representative: (304) 624-1650

Part II Type of issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☑ Utilities	17	$1,885,764
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

RECEIVED 113 OCT 14 2004 IRS-OSC OGDEN, UT

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/01/2024	$ 1,885,764	$ 1,885,764	12.110 years	4.9999405 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0
23	Issue price of entire issue (enter amount from line 21, column (b))			23	1,885,764
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	27,000		
25	Proceeds used for credit enhancement	25	0		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	151,380		
27	Proceeds used to currently refund prior issues	27	0		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)			29	178,380
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	1,707,384

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years

33 Enter the last date on which the refunded bonds will be called ▶

34 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	0
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	0

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☑ and enter the name of the issuer ▶ West Virginia Water Development Authority and the date of the issue ▶ May 15, 2003

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ [signature] September 28, 2004 ▶ Frank Ferrari, City Manager

Signature of issuer's authorized representative — Date — Type or print name and title

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

NEW ISSUE REPORT FORM

Date of Report: September 28, 2004

(See Reverse for Instructions)

ISSUE: City of Clarksburg Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

ADDRESS: 222 West Main Street, Clarksburg, West Virginia 26301 COUNTY: Harrison

PURPOSE OF ISSUE: New Money: X
Refunding: N/A

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: September 28, 2004

CLOSING DATE: September 28, 2004

ISSUE AMOUNT: $1,885,764

RATE: 5%

1ST DEBT SERVICE DUE: April 1, 2005

1ST PRINCIPAL DUE: October 1, 2005

1ST DEBT SERVICE AMOUNT: $ 47,929.84

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: Vincent A. Collins, Esq.
Phone: (304) 598-8161

UNDERWRITERS COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esq.
Phone: (304) 340-1318

CLOSING BANK: WesBanco Bank, Inc.
Contact Person: Thomas C. Davisson
Phone: (304) 623-4392

ESCROW TRUSTEE:
Contact Person:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Dan Adkins
Position: Director of Finance
Phone: (304) 623-3711

OTHER: West Virginia Water Development Authority
Contact Person: Daniel B. Yonkosky
Function: Director
Phone: (304) 558-3612

DEPOSITS TO MBC AT CLOSE:
By: X Wire
Check

Accrued Interest: $
Capitalized Interest: $
X Reserve Account: $ 151,380
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:

CL955172.1

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.

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

WesBanco Bank, Inc., Clarksburg, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance of the City of Clarksburg (the "Issuer") enacted September 2, 2004, and the Supplemental Resolution of the Issuer adopted September 9, 2004 (the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the principal amount of $1,885,764 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 28th day of September, 2004.

WESBANCO BANK, INC.

Thomas L. Davisson, SVP

Its Authorized Representative

09/21/04
155510/00019

CL955183.1

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Clarksburg Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), dated September 28, 2004, issued in the principal amount of $1,885,764 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 28th day of September, 2004.

THE HUNTINGTON NATIONAL BANK

Its Authorized Representative

09/21/04
155510/00019

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Clarksburg (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2004 A (West Virginia Water Development Authority), of the Issuer, dated September 28, 2004, in the principal amount of $1,885,764, numbered AR-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 28th day of September, 2004.

THE HUNTINGTON NATIONAL BANK

Its Authorized Representative

09/21/04
155510/00019

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 28th day of September, 2004, by and between the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,885,764 Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), in fully registered form (the "Bonds"), pursuant to the Bond Ordinance of the Issuer duly enacted September 2, 2004, and the Supplemental Resolution of the Issuer duly adopted September 9, 2004 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such

duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:	City of Clarksburg 222 West Main Street Clarksburg, West Virginia 26301 Attention: Mayor
REGISTRAR:	The Huntington National Bank One Huntington Square Charleston, West Virginia 25301 Attention: Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. 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.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF CLARKSBURG

Sam Lopez

Mayor

THE HUNTINGTON NATIONAL BANK

Its Authorized Representative

09/21/04
155510/00019

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF CLARKSBURG

_____

Mayor

THE HUNTINGTON NATIONAL BANK

_____

Its Authorized Representative

09/21/04
155510/00019

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see attached)

Private Financial Group
900 Lee Street, 11th Floor
P. O. Box 633 WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF TRUSTEE'S FEES
Invoice Date September 23, 2004

City Clarksburg
Account Number 6089001809

City of Clarksburg
Water Revenue Bonds, Series 2004 A
C/O John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR September, 2004

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: DEBRA . . *
* .. BOWDEN, PO BOX 633, CHARLESTON, WV 25322-0633 . . . . . *

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

CITY OF CLARKSBURG
(WEST VIRGINIA)

WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992

BOND ORDINANCE

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EXHIBIT A - BOND FORM 69

CITY OF CLARKSBURG

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG, THE REFUNDING OF THE CITY'S OUTSTANDING WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1985 AND WATERWORKS REVENUE BONDS, SERIES 1986; THE ISSUANCE OF WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $26,000,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH ADDITIONS, BETTERMENTS AND IMPROVEMENTS AND SUCH REFUNDING, TO FUND A RESERVE ACCOUNT FOR SUCH BONDS AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the City of Clarksburg (the "Issuer") presently owns and operates through the Clarksburg Water Board (the "Board") a municipal waterworks treatment and distribution system (the "System") and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding (i) the Waterworks Improvement and Refunding Revenue Bonds, Series 1985, dated February 1, 1985, originally issued in the aggregate principal amount of $17,000,000, of which $15,565,000 is presently outstanding (the "Series 1985 Bonds") and (ii) the Waterworks Revenue Bonds, Series 1986, dated September 1, 1986, originally issued in the aggregate principal amount of $725,000, of which $725,000 is presently outstanding (the "Series 1986 Bonds") (collectively, the "Prior Bonds");

WHEREAS, the Prior Bonds were issued pursuant to an ordinance of the Issuer enacted by the city council of the Issuer on March 15, 1984, as supplemented by supplemental ordinances or resolutions enacted and adopted by the city council of the Issuer on January 28, 1985, December 16, 1985, and October 9, 1986 (such

ordinance, as so supplemented and amended, herein called the "Prior Ordinance");

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City of Clarksburg and other users of the System to advance refund the Prior Bonds as hereinafter set forth in order to achieve interest cost savings;

WHEREAS, the Issuer has determined that it is necessary and in the best interest of the residents of the City of Clarksburg and other users of the System that there be acquired and constructed certain additions, betterments and improvements for the System, consisting of additional water lines, valves, pumps, water storage tanks, fire hydrants and all necessary appurtenances (the "Project") and to finance such acquisition and construction in part with proceeds of the issuance of bonds and in part with grant moneys and other funds of the Issuer;

WHEREAS, under the provisions of Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (the "Bond Act"), the Issuer is authorized and empowered to acquire, construct and operate additions, betterments and improvements for the System and issue revenue bonds to pay all or any portion of the costs thereof, and, under the provisions of Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of the outstanding Prior Bonds;

WHEREAS, the Issuer is advised that present value interest savings will be realized from the refunding of the Prior Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents and other users of the System, to advance refund the Prior Bonds to their first redemption date, being February 1, 1995, in the manner set forth herein and finance the acquisition and construction of the Project, with proceeds of the issuance of a series of bonds to be designated "City of Clarksburg Waterworks Improvement and Refunding Revenue Bonds, Series 1992" (the "Series 1992 Bonds"), in the maximum aggregate principal amount of $26,000,000, and other moneys of the Issuer, such Series 1992 Bonds to be secured by and payable from the

Gross Revenues (as hereinafter defined) of the System, and containing such other terms and provisions as are hereinafter provided;

WHEREAS, in addition to the Prior Bonds, the Issuer has heretofore issued two other series of waterworks refunding bonds, both of which are crossover refunding issues and are not and will not be payable from the Gross Revenues, being the Waterworks Tender Option Refunding Revenue Bonds, 1985 Series A, dated December 1, 1985 (the "Series 1985 A Crossover Refunding Bonds") and the Waterworks Crossover Refunding Bonds, Series 1986, dated September 1, 1986 (the "Series 1986 Crossover Refunding Bonds");

WHEREAS, the Series 1985 A Crossover Refunding Bonds and the Series 1986 Crossover Refunding Bonds (collectively herein called the "Crossover Refunding Bonds") shall be defeased concurrently with the issuance and delivery of the Series 1992 Bonds and the Issuer shall retain the right to redeem the Crossover Refunding Bonds, at its option, in accordance with the redemption provisions thereof;

WHEREAS, the Issuer now desires to authorize the refunding of the Prior Bonds and the acquisition and construction of the Project as aforesaid, and to provide for the financing thereof by the issuance of the Series 1992 Bonds as hereinafter provided;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLARKSBURG HEREBY ORDAINS:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Accreted Value" means, with respect to Bonds which may be issued in the form of capital appreciation bonds, the cumulative principal of and interest thereon payable at maturity or earlier redemption.

"Act" means collectively, Chapter 8, Article 19 (the "Bond Act") and Chapter 13, Article 2E (the "Refunding Act"), of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 1992 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"Board" shall mean the separate municipal corporation known as the "Clarksburg Water Board," existing under Section 25 of the charter of the City of Clarksburg and having powers and duties as set forth in Section 27 of such charter.

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal Bonds, appointed by the Issuer or the Board, and shall initially mean Steptoe & Johnson, Clarksburg, West Virginia.

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

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 1992 Bonds, shall initially mean Asset Guaranty Reinsurance Company ("AGR").

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

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

"Bonds" means, collectively, the Series 1992 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.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 1992 Bonds, in substantially the form set forth in EXHIBIT A hereto.

"City" or "Issuer" means the City of Clarksburg, a municipal corporation of the State of West Virginia, in Harrison County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"City Manager" means the current City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the 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.

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

"Construction Fund" means the Construction Fund created by Section 4.02 hereof.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms, means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Prior Bonds including payment of redemption premiums and accrued interest thereon, acquisition and construction of the Project, including the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Bonds prior to and during construction or acquisition and for not more than 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Account; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, fiscal agent fees and expenses, underwriter's discount, initial fees for the services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Bonds and refunding of the Prior Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

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

"Debt Service," with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national

banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"Depreciation Fund" means the Depreciation Fund created by Section 4.01 hereof.

"DTC-eligible" means, with respect to the Series 1992 Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Escrow Agreement" means the agreement to be entered into between the Issuer, the Board, the Bond Commission and the Escrow Trustee, providing for the defeasance and ultimate payment of the Prior Bonds, the deposit therein of proceeds of the Series 1992 Bonds, the disposition of moneys in the various funds and accounts under the Prior Ordinance and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement.

"Escrow Trustee" means the escrow trustee under the Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"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.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

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

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

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

"Mayor" means the current Mayor of the Issuer.

"Municipal Bond Insurance Policy" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 1992 Bonds, insuring the payment of the principal of and interest on all or any of the Series 1992 Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Account.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, fees for the provider of a Reserve Account Letter of Credit, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Escrow Trustee, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Prior Bonds or the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets,

amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund created by Section 4.01.

"Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means, Ferris, Baker Watts, Incorporated, Baltimore, Maryland, as the purchasers of the Series 1992 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 1992 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 1992 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 1992 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of said Series 1992 Bonds.

"Outstanding," when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bond at or prior to said date; (b) any Bond or Prior Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Registrar and any other paying agent for the Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" shall have the meaning set forth in the premises hereof, and shall include the coupons appertaining thereto, if any.

"Prior Ordinance" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Qualified Investments" means and includes, to the extent permitted by law, any of the following:

(i) Government Obligations.

(ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) debentures of the Federal Housing Administration, (c) guaranteed mortgage backed bonds of the Government National Mortgage Association, (d) certificates of beneficial interest of the Farmers Home Administration, (e) obligations of the Federal Financing Bank or (f) project notes and local authority bonds of the Department of Housing and Urban Development.

(iii) Investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of (d) senior debt obligations of the Student Loan Marketing Association.

(iv) Repurchase agreements with primary dealers and/or banks rated, at all times, AA or better by Standard & Poor's Corporation and Moody's Investors Service, collateralized with the obligations described in (i) or (ii) above, held by a third party custodian, at the levels set forth below, which repurchase agreements have been approved by the Insurer.

(v) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Registrar or an affiliate of the Registrar acts as an advisor, and rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service.

(vi) Certificates of deposit of any bank (including the Registrar), trust company or savings and loan association whose short term obligations are rated A-1 or better by Standard & Poor's Corporation and P-1 by Moody's Investors Service provided that such certificates of deposit are fully secured by the obligations described in (i) or (ii) above at the levels set forth below, the Registrar has a perfected first security interest in the obligations securing the certificates and the Registrar holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates.

(vii) Certificates of deposit of any bank (including the Registrar), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation.

(viii) Obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at the time of purchase, are rated by Standard & Poor's Corporation and Moody's Investors Service in the highest rating categories (without regard to any refinement or

graduation of rating category by numerical modifier or otherwise and without regard to credit enhancement) assigned by such rating agencies to obligations of that nature.

(ix) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(x) Alternate or additional forms of investments approved in writing by the appropriate Bond Insurer.

Debt Service Reserve Fund Investments: Amounts contained in any Debt Service Reserve Fund shall be invested in the instruments set forth in paragraphs (i), (ii) and (v) above only, with maturities of not longer than one year.

Collateral Levels for United States Government Securities:

Remaining Maturity

Frequency of Valuation	1 Year or less	5 Years or less	10 Years or less	15 Years or less	30 Years or less
Daily	102	105	106	107	113
Weekly	103	110	111	113	118
Monthly	106	116	119	123	130
Quarterly	106	118	128	130	135

Further Requirements:

(1) On each valuation date the market value of the collateral will be an amount equal to the requisite collateral percentage of the obligations (including unpaid accrued interest) that is being secured.

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly valuations, and one month for monthly and quarterly valuations.

The use of different restoration periods affect the requisite collateral percentage.

(3) The Issuer or Depository Bank, as appropriate, shall terminate any repurchase agreement upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterpart in federal funds against transfer of the repo securities, liquidate the collateral.

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Recording Officer," "Recorder" or "Clerk" means the City Clerk of the Issuer.

"Redemption Account" means the Redemption Account created in the Sinking Fund by Section 4.02 hereof.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

"Reserve Account" means the Reserve Account created in the Sinking Fund by Section 4.02 hereof.

"Reserve Account Letter of Credit" means a letter of credit, line of credit or similar credit facility approved by the Bond Insurer for the applicable series of Bonds and issued by a bank, insurance

company or other financial institution approved by such Bond Insurer for deposit in the Reserve Account in lieu of all or a portion of cash or Qualified Investments on deposit or to be deposited therein.

"Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service.

"Revenue Fund" means the Revenue Fund created by Section 4.01 hereof.

"Series 1992 Bonds" means the Waterworks Improvement and Refunding Revenue Bonds, Series 1992, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Sinking Fund" means the Sinking Fund created by Section 4.02 hereof.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 1992 Bonds and authorizing the sale of the Series 1992 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Gross Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2), (3) and (4) have first been paid.

"System" means, collectively, the complete existing municipal waterworks system of the City, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

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

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

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

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

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

City of Clarksburg (the "Issuer")

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The ~~Issuer~~ is a municipal corporation of the State of West Virginia, in Harrison County of said State.

B. The Issuer now owns and operates, through the Board, the System, the acquisition and construction of which has been financed in part by the proceeds of the Prior Bonds which are currently Outstanding in the aggregate principal amount of $17,290,000 and other bonds which have either been refunded and defeased by the Prior Bonds or otherwise, or are no longer Outstanding.

C. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 1992 Bonds and funding of the Escrow Fund, the Prior Bonds will be defeased and the Series 1992 Bonds will be secured by a first lien on the Gross Revenues.

D. It is necessary, convenient and in the public interest that the Issuer construct and acquire the Project in accordance with, and as more particularly described in, the plans and specifications therefor prepared by the Consulting Engineer and now on file with the

Board; and such acquisition and construction are hereby ordered to be commenced as promptly as feasible.

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

F. The estimated construction cost of the Project is $4,600,000. The cost of the Project will be financed in part with proceeds of the Series 1992 Bonds and in part with grant moneys and funds of the Issuer.

G. The Issuer intends to issue the Series 1992 Bonds and to pledge for payment thereof, the Gross Revenues of the System.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the Prior Bonds, to provide for the repair, maintenance and operation of the System, the payment of interest upon all bonds issued pursuant to the Act and to create a sinking fund, as hereinafter provided, to pay the principal thereof as and when it becomes due and reasonable reserves therefor, to provide an adequate Depreciation Fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 1992 Bonds presented to the Issuer by the Original Purchaser, and after making allowance for the use of cash on hand of the Issuer, the Series 1992 Bonds show a net present value saving to the Issuer after deducting all expenses of the refunding and the costs of issuing the Series 1992 Bonds.

J. The Issuer shall not sell the Series 1992 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph I, above, based upon the actual principal amount, maturity schedule and interest rates for the Series 1992 Bonds, and the Issuer shall not issue the Series 1992 Bonds without having obtained from an independent certified public accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 1992 Bonds and the net interest cost in dollars of the Prior Bonds.

K. Subject to the determination and certification required by paragraph J, above, it is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue the Series 1992 Bonds and secure the Series 1992 Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the System, the moneys in

the Reserve Account, unexpended proceeds of the Series 1992 Bonds and as further set forth herein.

L. The Series 1992 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

M. All things necessary to make the Series 1992 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 1992 Bonds, will be timely done and duly performed.

N. The enactment of this Ordinance, and the execution and issuance of the Series 1992 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING OF PRIOR BONDS AND ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Refunding of Prior Bonds. All Prior Bonds Outstanding as of the date of issuance of the Series 1992 Bonds in the aggregate principal amount of $17,290,000 are hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the pledge of Gross Revenues in favor of the Holders of such refunded Prior Bonds imposed by the Prior Ordinance, the moneys in the funds and accounts created by the Prior Ordinance and any other funds pledged by the Prior Ordinance thereto are hereby ordered terminated, discharged and released upon the payment into the Escrow Fund from the proceeds of the Series 1992 Bonds, together with other moneys available therefor, of the following: (a) if required by the Escrow Agreement, an amount equal to the fiscal and paying agent charges and the Escrow Trustee charges to become due and payable in connection with the Prior Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such Prior Bonds as the same become due, to the respective serial maturity dates thereof, but in no event beyond the first date upon which the entire aggregate amount of the Prior Bonds may be redeemed, being November 15, 1994 (Series 1986 Bonds) and February 1, 1995 (Series 1985 Bonds), all as set forth in the Escrow Agreement. Contemporaneously with the deposit of such Series 1992 Bond proceeds into the Escrow Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Prior Bonds shall be deposited in the Escrow Fund, the Reserve Account or such other fund or account as shall be set forth in the Escrow Agreement, and invested as provided in the Escrow Agreement.

Section 2.02. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated construction cost of $4,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Recording Officer. A portion of the proceeds of the Series 1992 Bonds hereby authorized shall be applied to payment of the Costs of the Project, as provided in the Supplemental Resolution and Article III hereof, respectively.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 1992 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

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

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, by their respective manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk by his or her manual or facsimile signature; provided,

that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A attached hereto and incorporated herein by reference with respect to the Series 1992 Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

So long as any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the

option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar,

and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

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

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory redemption date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

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

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, the Original Purchaser, and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

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

(1) The redemption date,

(2) The redemption price,

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

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

(5) The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and

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

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

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

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

In addition to the foregoing notice, further notice as set out below shall be given by the Registrar, at the instruction of the Issuer, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each bond being redeemed; (iv) the maturity date of each bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to the Bond Buyer, of New York, New York, and all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania).

(3) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions,

variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 1992 Bonds. For the purposes of refunding all of the Outstanding Prior Bonds of the Issuer, paying a portion of the Costs of the Project, funding the Reserve Account and paying costs in connection therewith, there shall be issued the Series 1992 Bonds of the Issuer, in an aggregate principal amount of not more than $26,000,000. Said Series 1992 Bonds shall be designated "Waterworks Improvement and Refunding Revenue Bonds, Series 1992" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 1992 Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 1992 Bonds shall be numbered from R-1 consecutively upward. The Series 1992 Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 1992 Bonds. A. The Series 1992 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 1992 Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 1992 Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 1992 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 1992 Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 1992 Bond or any other evidence of ownership of the Series 1992 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of

all or any portion of the Series 1992 Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 1992 Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 1992 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 1992 Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 1992 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 1992 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 1992 Bonds so redeemed, but DTC may return such Series 1992 Bonds and make an appropriate notation on the Series 1992 Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 1992 Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 1992 Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 1992 Bonds, selecting the Series 1992 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 1992 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 1992 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the

Registrar as being a Bondholder with respect to (i) the Series 1992 Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 1992 Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 1992 Bonds or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 1992 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 1992 Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 1992 Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 1992 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 1992 Bonds.

Section 3.12. Delivery of Series 1992 Bonds. The Issuer shall execute and deliver the Series 1992 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 1992 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the Series 1992 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1992 Bonds to the Original Purchaser;

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

(D) The unqualified approving opinion upon the Series 1992 Bonds by Bond Counsel.

Section 3.13. Form of Series 1992 Bonds. The definitive Series 1992 Bonds shall be in substantially the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 1992 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 1992 Bonds shall have the form of the opinion of Steptoe & Johnson, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 1992 Bonds. Upon the issuance and delivery of the Series 1992 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 1992 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Sinking Fund and applied to payment of interest on the Series 1992 Bonds at the first interest payment date.

B. The amount of Series 1992 Bond proceeds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Prior Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

C. The amount of Series 1992 Bond Proceeds which, together with other moneys of the Issuer dedicated to such purpose, is equal to the Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Reserve Account, provided that, to the extent the Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinance or a Reserve Account Letter of Credit or similar credit facility acceptable to the Bond Insurer for the applicable series of Bonds, Series 1992 Bond Proceeds shall be deposited in the Reserve Account only to the extent needed to satisfy the balance of the Reserve Account Requirement.

D. The amount of Series 1992 Bond proceeds necessary to pay that portion of Costs of the Project not otherwise provided for, shall be deposited in the Construction Fund and disbursed only as provided in Section 3.15 hereof.

E. The balance of the proceeds of the Series 1992 Bonds shall be deposited with the Depository Bank in the Series 1992 Bonds

Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 1992 Bonds and miscellaneous costs of refunding the Prior Bonds at the written direction of the Issuer. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Construction Fund. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 1992 Bonds from which such proceeds are derived.

Section 3.15. Disbursements From the Construction Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Construction Fund, except for payment of costs of issuance of the Series 1992 Bonds in excess of the moneys available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made (except reimbursement to the Issuer for items previously paid by the Issuer);

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Construction Fund only the net amount remaining after deduction of any such portion. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund.

Pending such application, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Construction Fund to the Depreciation Fund.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with, and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other, (except as set forth in this Section 4.01) and used solely for the purposes provided herein:

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Operation and Maintenance Fund;

(4) Construction Fund;

(5) Costs of Issuance Fund; and

(6) Rebate Fund.

Moneys in such Funds and Subaccounts may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special fund and accounts are hereby established with and shall be held by the Bond Commission:

(1) Sinking Fund;

(a) Within the Sinking Fund:

(i) Reserve Account; and

(ii) Redemption Account.

In addition to the foregoing funds and accounts established by in this Section 4.02 and Section 4.01, the Issuer may establish such other funds and accounts as it may deem appropriate for any particular series of Bonds by provision therefor in a Supplemental Resolution.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the moneys in the Revenue Fund, on the first day of each month, beginning on the first day of that month which is 7 months prior to the first interest payment date on the Series 1992 Bonds, apportion and set apart out of the Revenue Fund and remit to the Bond Commission, for deposit in the Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Sinking Fund and the next ensuing semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Sinking Fund shall be reduced by the amount of accrued interest on the Series 1992 Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Sinking Fund shall be reduced by the amount of any earnings credited to the Sinking Fund.

The Issuer shall also apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in the Sinking Fund, and in the Redemption Account therein in the case of Term Bonds which are to be redeemed, on the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment or mandatory redemption date of the Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Bonds on the next ensuing principal payment or mandatory redemption date, provided, that in the event the period to elapse between the date of such initial deposit in the Sinking Fund and the

next ensuing principal payment or mandatory redemption date is less than 13 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory redemption date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Sinking Fund and not previously credited pursuant to the preceding paragraph.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds, whether by maturity or redemption prior to maturity and, with respect to the Reserve Account therein, any amounts necessary to fund the Reserve Account to maintain the Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Sinking Fund when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on the Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1992 Bonds are issued, provision shall be made for additional deposits into the Reserve Account sufficient to maintain the Reserve Account Requirement in accordance with the provisions hereof.

The payments into the Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

(2) The Issuer shall next, from the moneys remaining in the Revenue Fund each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay current Operating Expenses of the System.

(3) The Issuer shall next, from the moneys remaining in the Revenue Fund, each month apply such moneys to the full extent necessary, for deposit into the Reserve Account, as a result of a decrease in value of the Reserve Account below the Reserve Account Requirement or any withdrawal from the Reserve Account, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Reserve Account is less than the Reserve Account Requirement, or (ii) any amount is withdrawn from the Reserve Account for deposit into the Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be sufficient, and shall be used to restore the amount of cash or securities on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement; provided, that no payments shall be required to be made into the Reserve Account whenever and as long as the amount deposited therein shall be equal to the Reserve Account Requirement.

In the event that moneys in the Revenue Fund are insufficient to replenish the Reserve Account to a value equal to the Reserve Account Requirement, the Issuer shall transfer moneys from the Depreciation Fund to the extent necessary for such purpose, provided that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate amount of Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

Amounts in the Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Bonds when due, when amounts in the Sinking Fund are insufficient therefor, and for no other purpose.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month commencing with the first month in which interest shall be payable from the Revenue Fund, transfer to the Depreciation Fund a sum equal to not less than 5% of the Gross Revenues each month. No further payments shall be required to be made into the Depreciation Fund when there shall have been deposited therein, and so long as there shall remain on deposit therein, the sum of $1,000,000.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Account (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a Reserve Account Letter of Credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Fund (including the Reserve Account);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board, moneys in the Depreciation Fund in excess of $1,000,000 may be transferred by the Issuer to the Redemption Account and used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(5) If on any monthly payment date the Revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made for the purpose of funding the Reserve Account, shall be made on a parity basis and pro-rata, with respect to the Series 1992 Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such Series of Bonds then Outstanding, if less than the full amount required hereby.

E. All Tap Fees shall be deposited by the Issuer, as received, in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Depreciation Fund or Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to semiannually transfer from the Reserve Account to the Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Account an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually,

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

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

(E) Notwithstanding the foregoing, all moneys deposited in the Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds of each series in such manner and to such extent as may be necessary, so that such Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on such Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1992 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer or the Board shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer or the Board shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer or the Board shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer or the Board shall assure that such payments are made by the Issuer or the Board to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer or the Board at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Board may deem appropriate in order to assure compliance with this Section 5.03. The Issuer or the Board shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer or the Board fails to make such rebates as required, the Issuer or the Board shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, the Note, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the moneys in the Sinking Fund and all accounts therein, the unexpended proceeds of the Bonds or moneys in a Construction Fund, if any, all as herein provided. No Holder or Holders of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Gross Revenues and Moneys in Sinking Fund. The payment of the debt service of all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System and all moneys and securities in the Sinking Fund, including the Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the payments into the Sinking Fund, all moneys and securities in the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. Prior to the issuance of the Series 1992 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges

so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer and the Board hereby covenant and agree that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Account in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer and the Board, as appropriate, hereby covenant to commence enactment of such rate ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination by the independent Consulting Engineers pursuant to their written report prepared in compliance with Section 6.10 hereof that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 6.05. Operation and Maintenance. The Issuer or the Board, as appropriate, will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Gross Revenues of said System in the manner provided in this Ordinance.

Section 6.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage,

lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Board by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer or the Board into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund or the Redemption Account shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Gross Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional

parity Bonds provided for in Section 6.08 hereof, payable from the Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Revenues and in all other respects to the Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such additional parity Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and Revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No additional parity Bonds, as in this section defined, payable out of the Gross Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the Gross Revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Series 1992 Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

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

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Series 1992 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1992 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

No additional parity Bonds shall be valid unless authenticated pursuant to Section 3.03. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by Section 3.12 with respect to the Series 1992 Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Gross Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The Issuer shall not issue any obligations whatsoever payable from the Gross Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security

for payment from such Gross Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, if any (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence

of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of Wood County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer and employee of the Board having custody of the Revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.10. Report of Consulting Engineers. The Issuer or the Board shall, at least once each year, retain recognized qualified independent Consulting Engineers to review the operation, maintenance and repair of the System and to report to the Issuer and the Board in writing their recommendations and comments pertaining to the System, including the rate coverage of the System for each Fiscal Year. Such annual report of the Consulting Engineers, or a summary thereof, shall be made available, upon request, to the Original Purchaser, any Bond Insurer and any Bondholder.

Section 6.11. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, the Issuer or

any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be Gross Revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other Revenues derived from such operation of the System.

Section 6.12. Enforcement of Collections. The Issuer or the Board will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

Section 6.13. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board or 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 shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer or the Board shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

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

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.15. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.16. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

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

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

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

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

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

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 1992 Bonds from Asset Guaranty Reinsurance Company ("AGR"). Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution are required by AGR as a condition to insuring the Series 1992 Bonds, shall apply to the Series 1992 Bonds and any other Bonds which may be insured by AGR, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any Bond;

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

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

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

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees a other charges sufficient to provide for the payment of the principa of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance

shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 1992 Bonds shall be appointed pursuant to the Supplemental Resolution. The City Manager of the Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Bonds. The Fiduciaries and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Fiduciaries May Act. Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same

rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy

of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent and Depository Bank. The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor

Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Gross Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

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

shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or the following:

1. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

2. Resolution Funding Corp. (REFCORP) securities. Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable.

3. Pre-refunded municipal bonds rated "Aaa" by Moody's or "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U. S. or U. S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

4. Obligations issued by the following agencies which are backed by the full faith and credit of the U. S.:

   A. U. S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

   B. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership

   C. Federal Financing Bank

   D. General Services Administration
   Participation certificates

   E. U. S. Maritime Administration
   Guaranteed Title XI financing

F. U. S. Department of Housing and Urban Development (HUD)

Project Notes

Local Authority Bonds

New Communities Debentures - U. S. government guaranteed debentures

U. S. Public Housing Notes and Bonds - U. S. government guaranteed public housing notes and bonds

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgements of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the

Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer

be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26101
Attention: City Manager

REGISTRAR AND PAYING AGENT

Charleston National Bank
Capitol & Virginia Streets
Charleston, West Virginia 25324
Attention: Trust Department

DEPOSITORY BANK (Construction Fund)

Community Bank & Trust, N.A.
Box 432, 103 Adams Street
Fairmont, West Virginia 26554
Attention: Trust Officer

DEPOSITORY BANK (All Other Funds and Accounts)

The Empire National Bank of Clarksburg
Empire Building
Clarksburg, West Virginia 26301
Attention: Trust Department

ORIGINAL PURCHASERS

Ferris, Baker Watts, Incorporated
100 Light Street, Eighth Floor
Baltimore, Maryland 21202
Attention: Public Finance Department

and

Crews & Associates, Inc.
2000 Union National Plaza
124 West Capitol Avenue
Little Rock, Arkansas 72201
Attention: Public Finance Department

BOND INSURER

Asset Guaranty Reinsurance Company
335 Madison Avenue
New York, New York 10017-4605
Attention: General Counsel

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and

the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the Clarksburg Exponent-Telegram , a newspaper published and having a general circulation in the City of Clarksburg, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 17th day of December, 1992, at 7:30 p.m., in the meeting room of the Council in the City Hall of the City of Clarksburg and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	November 19, 1992
Second Reading:	December 3, 1992
Effective following Public Hearing held on:	December 17, 1992

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

APPROVED AND CORRECT AS TO FORM:

City Attorney

APPROVED:

President, Clarksburg Water Board

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of the CITY OF CLARKSBURG at a regular meeting of the City Council held at 7:30 p.m., on December 17, 1992, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in the City of Clarksburg, the first publication having been not less than 10 days prior to such public hearing.

Dated this 30th day of December, 1992.

[SEAL]

Patricia L. D'Anselmi
City Clerk

EXHIBIT A - BOND FORM

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG, WEST VIRGINIA
WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BOND,
SERIES 1992

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 1993 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for.

Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "City of Clarksburg Waterworks Improvement and Refunding Revenue Bonds, Series 1992" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 1992, the proceeds of which are to be used, together with other funds of the City (i) to refund in full the City of Clarksburg Waterworks Improvement and Refunding Revenue Bonds, Series 1985, of the Issuer outstanding in the aggregate principal amount of $_____ and Waterworks Revenue Bonds, Series 1986, of the Issuer outstanding in the aggregate principal amount of $725,000 (collectively, the "Prior Bonds"), which Prior Bonds were issued to finance and refinance the cost of construction of certain additions, betterments and improvements to the waterworks system of the Issuer; (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements (the "Project") for the existing waterworks system of the City (the "System"); (iii) to fund a reserve account for the Series 1992 Bonds; and (iv) to pay certain costs of issuance of the Series 1992 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the City

Council of the Issuer on _____, 1992, and supplemented by a supplemental resolution adopted by said Council on _____, 1992 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of Clarksburg, West Virginia.

[The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Name of Bond Insurer].

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Redemption Period	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to mandatory redemption prior to maturity on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing	
Year (_____)	Principal Amount

* Final Maturity

Bonds Maturing	
Year (_____)	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, all moneys in the Sinking Fund established under the Ordinance, and the unexpended proceeds of the Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and moneys to such payment. Said Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the moneys in the Sinking Fund and said unexpended Bond proceeds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to produce revenues net of such operating expenses equal to at least 120% of the maximum annual amount required to pay the interest and principal as the same become due and accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered and to make any required payments into the Reserve Account. Such required payments on behalf of the principal of and interest on the Bonds shall constitute a first charge upon all the revenues of the System. The Issuer has entered into certain further covenants with the registered owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to refund the Prior Bonds and pay all costs in connection therewith and costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the registered owners of said Bonds.

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

that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, THE CITY OF CLARKSBURG has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

(Manual or Facsimile Signature)
City Manager

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be Provided by Bond Insurer]

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint

_____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

12/29/92
CWJ.A6
15551/92002

CITY OF CLARKSBURG

WATER REVENUE BONDS, SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

BOND ORDINANCE

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CITY OF CLARKSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates through the Clarksburg Water Board (the "Board") a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of a new 2 million-gallon water storage tank, together with all appurtenant facilities (collectively, the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than $3,000,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), in the total aggregate principal amount of not more than $3,000,000 (the "Series 2001 A Bonds"), to be initially represented by a single bond, to permanently finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2001 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2001 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2001 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2001 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 25 years.

F. It is in the best interests of the Issuer that its Series 2001 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH (the "Loan Agreement"), to be approved hereby if not previously approved by ordinance of the Issuer.

G. There is an outstanding obligation of the Issuer which will rank on a parity with the Series 2001 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992 (the "Prior Bonds"), dated December 1, 1992, issued in the original aggregate principal amount of $25,500,405, pursuant to an ordinance of the Issuer enacted December 17, 1992 (the "Prior Ordinance").

The Series 2001 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2001 A Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the parity test of the Prior Bonds is met. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinance (as hereinafter defined).

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2001 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2001 A Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council (the

"Council") as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2001 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2001 A Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2001 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

"Board" means the Clarksburg Water Board, existing under Section 25 of the Charter of the Issuer and having powers and duties set forth in Section 27 of such Charter.

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

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

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

"Bonds" means, collectively, the Series 2001 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2001 A Bonds for all or a portion of the proceeds of the Series 2001 A Bonds from the Authority.

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

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

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

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

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

"Depreciation Fund" means the Depreciation Fund created by the Prior Ordinance and continued hereby.

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

"Governing Body" means the council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the 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, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

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

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

"Investment Property" means:

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2001 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2001 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2001 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2001 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less 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" unless qualified, means the current expenses, paid or accrued, 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, supplies, labor, wages, cost of materials and supplies used for current operations, the Administrative Fee, fees and expenses

of the Authority, fiscal agents, the Depository Bank, the Registrar and Paying Agent (all as hereinafter 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.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund created by the Prior Ordinance and continued hereby.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2001 A Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued in the original principal amount of $25,500,405.

"Prior Ordinance" means, collectively, the ordinance of the Issuer enacted December 17, 1992, and the Supplemental Resolution of the Issuer adopted December 17, 1992, authorizing the issuance of the Prior Bonds.

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

"Project" means the Project as described in Section 1.20B hereof.

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

(a) Government Obligations;

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

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 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 gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2001 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts to be on deposit in any Reserve Account for the Prior Bonds and the Series 2001 A Bonds.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinance and continued hereby.

"Series 2001 A Bonds" means not more than $3,000,000 in aggregate principal amount of Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer, authorized by this Ordinance.

"Series 2001 A Bonds Construction Trust Fund" means the Series 2001 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2001 A Bonds Reserve Account" means the Series 2001 A Bonds Reserve Account established in the Series 2001 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2001 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2001 A Bonds in the then current or any succeeding year.

"Series 2001 A Bonds Sinking Fund" means the Series 2001 A Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2001 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2001 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, the Sinking Funds, the Reserve Accounts and the Depreciation Fund.

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing

the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting City Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $3,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2001 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the BPH.

The cost of the Project is estimated not to exceed $3,000,000, of which the entire amount will be obtained from proceeds of the Series 2001 A Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2001 A Bonds, funding a reserve account for the Series 2001 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2001 A Bonds of the Issuer. The Series 2001 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program)", in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2001 A Bonds remaining after funding of the Series 2001 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2001 A Bonds, if any, shall be deposited in or credited to the Series 2001 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2001 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2001 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2001 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2001 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2001 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2001 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2001 A Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2001 A Bonds shall cease to be such officer of the Issuer before the Series 2001 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2001 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2001 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2001 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2001 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2001 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2001 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2001 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2001 A Bonds or transferring the registered Series 2001 A Bonds are exercised, all Series 2001 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2001 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2001 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2001 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2001 A Bonds or, in the case of any proposed redemption of Series 2001 A Bonds, next preceding the date of the selection of Series 2001 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2001 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2001 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operations of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2001 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2001 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2001 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2001 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2001 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2001 A Bonds.

Section 3.10. Form of Series 2001 A Bonds. The text of the Series 2001 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATER REVENUE BONDS,
SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ _____ ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200__, at the rate per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2001.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2001, and a Supplemental Resolution duly adopted by the Issuer on _____, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992, DATED DECEMBER 1, 1992, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,500,405 (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 moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2001 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2001 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall

be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF CLARKSBURG 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 City Clerk, and has caused this Bond to be dated _____, 2001.

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2001 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2001.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2001 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor and/or the City Manager are specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the BPH an amended schedule, the form of which will be provided by the BPH, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Depreciation Fund (established by the Prior Ordinance);

(3) Operation and Maintenance Fund (established by the Prior Ordinance); and

(4) Series 2001 A Bonds Construction Trust Fund.

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

(1) Series 1992 Bonds Sinking Fund (established by the Prior Ordinance);

(2) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Redemption Account (established by the Prior Ordinance);

(4) Series 2001 A Bonds Sinking Fund; and

(5) Within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt

in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Prior Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinance. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Sinking Fund, the amount required by the Prior Ordinance for payment of interest on the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of interest on the Series 2001 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2001 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2001 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2001 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Sinking Fund, and in the Series 1992 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, the amount required by the Prior Ordinance for payment of principal of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2001 A Bonds on the next ensuring quarterly principal payment; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2001 A Bond Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay all Operating Expenses of the System.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Reserve Account, the amount required by the Prior Ordinance; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, if not fully funded upon issuance of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2001 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2001 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 2001 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Depreciation Fund (as required in the Prior Ordinance and not in addition thereto), an amount equal to not less than 5% of the Gross Revenues each month, so long as the Prior Bonds are outstanding, and thereafter, 2 1/2% of such amount. 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, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

Moneys in the Series 2001 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2001 A Bonds as the same shall become due. Moneys in the Series 2001 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2001 A Bonds as the

same shall come due, when other moneys in the Series 2001 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2001 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2001 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2001 A Bonds Reserve Account which result in a reduction in the balance of the Series 2001 A Bonds Reserve Account to below the Series 2001 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Series 2001 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2001 A Bonds Sinking Fund or the Series 2001 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2001 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2001 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by either the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2001 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the first business day of each month), deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2001 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the relevant provisions of the Prior Ordinance, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2001 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2001 A Bonds, there shall first be deposited with the Commission in the Series 2001 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2001 A Bonds for the period commencing on the date of issuance of the Series 2001 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2001 A Bonds, there shall be deposited with the Commission in the Series 2001 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2001 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2001 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2001 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2001 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2001 A Bonds shall be applied as directed by the BPH.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 2001 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the moneys therein set forth in the Bond Legislation. Moneys in the Series 2001 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 2001 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2001 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2001 A Bonds Construction Trust Fund shall be made only after submission to the Authority and the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, moneys in the Series 2001 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2001 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2001 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2001 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2001 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2001 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Board enacted on September 28, 1999, as amended by Commission Orders of the Public Service Commission of West Virginia dated May 12, 2000, and June 15, 2000, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2001 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2001 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Board shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Ordinance. Additionally, so long as the Series 2001 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2001 A Bonds, immediately be remitted to the Commission for deposit in the Series 2001 A Bonds Sinking Fund, and, with the written permission of the Authority and the BPH, or in the event the Authority is no longer a Bondholder, the Board shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2001 A Bonds. Any balance remaining after the payment of the Series 2001 A Bonds and interest, if any, thereon shall be remitted to the Board by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a

part of the System is no longer necessary, useful or profitable in the operation thereof and the Governing Body may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, shall be deposited in the Depreciation Fund. Payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2001 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2001 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2001 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2001 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2001 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2001 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the BPH and without complying with the conditions and requirements herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2001 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 2001 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion required under the Prior Ordinance, so long as the Prior Bonds are outstanding, and thereafter 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 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, so long as the Series 1992 Bonds are outstanding, not be less than 120%, unless waived by the Holders of the Series 1992 Bonds, and thereafter, 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 on the following:

(1) The Bonds then 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 the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds.

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 enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) 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 Holders of the 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 of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this 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 Series 2001 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from 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 2001Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts 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 the Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

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

The Issuer or the Board shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and

commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Board shall keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board or 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 Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Board. 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 Issuer as the Governing Body shall direct.

The Issuer or the Board shall file with the BPH, the Authority, or any other original purchaser of the Series 2001 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2001 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the system outstanding.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, 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 the Series 2001 A Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Series 2001 A Bonds. Such audit report submitted to the BPH and the Authority shall include a statement

that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

The Issuer or the Board shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement for the Series 2001 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2001 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide the Net Revenues equal to not less than the sum required by the Prior Ordinance, so long as the Prior Bonds are outstanding, and thereafter sufficient (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds; provided that, in the event amounts equal

to or in excess of the reserve requirements are on deposit respectively in the Series 2001 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2001 A Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

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

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

construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

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

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

Section 7.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To

the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Board, the Issuer, or any department, agency, instrumentality, officer or employee of the Board or the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board or the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2001 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

Authority, the Board, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE, for all employees of or for the system eligible therefor; and performance and payment bonds, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions, or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

The Issuer or the Board shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the BPH and the Issuer or

the Board shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the Board, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer or the Board shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer or the Board shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer or the Board shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2001 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2001 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the BPH with copies of all documents submitted to the Authority.

The Issuer shall also to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. [Reserved]

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2001 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2001 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2001 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2001 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2001 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2001 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2001 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2001 A Bonds as a condition to issuance of the Series 2001 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and

applicable to the Series 2001 A Bonds as may be necessary in order to maintain the status of the Series 2001 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2001 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2001 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2001 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2001 A Bonds :

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2001 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2001 A Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2001 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2001 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2001 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2001 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2001 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2001 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2001 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 2001 A Bonds, any Registered Owner of a Series 2001 A Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2001 A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2001 A Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2001 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the

Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2001 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2001 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2001 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2001 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2001 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2001 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2001 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2001 A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2001 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2001 A Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301
Attention: General Manager

AUTHORITY:

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

BPH:

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, West Virginia 25301
Attention: Environmental Engineering

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. Except for the Prior Ordinance, all orders, resolutions and ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days

intervening between each publication, in The Clarksburg Exponent and the Clarksburg Telegram, 2 newspapers published and of general circulation in the City of Clarksburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2001 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.09. Effective Date. This Ordinance shall take effect immediately upon adoption.

Passed on First Reading:	-	March 1, 2001
Passed on Second Reading:	-	March 15, 2001
Passed on Final Reading Following Public Hearing:	-	April 5, 2001

Pastor David W. A. Yates

Mayor

CL663892.1

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF CLARKSBURG on the 5th of April, 2001.

Dated: April 23, 2001.

[SEAL]

Annette M. Wright
City Clerk

04/17/01
155510/00001

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Clarksburg (the "Issuer") has duly and officially enacted a bond ordinance, effective April 5, 2001 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH

BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer (the "Series 2001 A Bonds"), in the aggregate principal amount not to exceed $3,000,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2001 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,383,850. The Series 2001 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2022, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Series 2001 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, and ending March 1, 2022, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2001 A Bonds. The Series 2001 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2001 A Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1% of the principal amount of the Series 2001 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

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

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

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

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Clarksburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2001 A Bonds shall be deposited in or credited to the Series 2001 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about April 11, 2001, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2001 A Bonds Sinking Fund, including the Series 2001 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 14. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Bonds. The Issuer hereby appoints the General Manager of the Clarksburg Water Board as its agent for the review and approval of all future invoices for the Project to be paid from the proceeds of the Bonds.

Section 15. The Issuer hereby appoints the Clarksburg Water Board as agent of the Issuer for the purpose of receiving all advances of the proceeds of the Bonds from the BPH, and the Issuer hereby assigns its right to receive such advances to the Clarksburg Water Board

Section 16. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 5th day of April, 2001.

CITY OF CLARKSBURG

Pastor David D. A. Kates

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Clarksburg on the 5th day of April, 2001.

Dated: April 23, 2001.

[SEAL]

Annette M. Wright
City Clerk

04/17/01
155510/00001

CL670492.2

CITY OF CLARKSBURG
(WEST VIRGINIA)

$16,260,000
WATER REFUNDING REVENUE BONDS,
SERIES 2002

BOND ORDINANCE

CITY OF CLARKSBURG
(WEST VIRGINIA)

WATER REFUNDING REVENUE BONDS,
SERIES 2002

BOND ORDINANCE

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CITY OF CLARKSBURG

AN ORDINANCE AUTHORIZING THE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992; THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2002 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the City of Clarksburg (the "Issuer") presently owns and operates through the Clarksburg Water Board (the "Board") a municipal waterworks treatment and distribution system (the "System") and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, originally issued in the aggregate principal amount of $25,500,405, of which $19,345,405 is presently outstanding (the "Series 1992 Bonds") and the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, originally issued in the aggregate principal amount of $2,383,850, of which $2,075,623 (drawn to date) is presently outstanding (the "Series 2001 Bonds," and together with the Series 1992 Bonds, herein called the "Prior Bonds");

WHEREAS, the Series 1992 Bonds were issued pursuant to an ordinance of the Issuer enacted by the city council of the Issuer on December 17, 1992, as supplemented by a supplemental resolution enacted and adopted by the city council of the Issuer on December 17, 1992 (such ordinance, as so supplemented and amended, herein called the "Series 1992 Bonds Ordinance and the Series 2001 Bonds were issued pursuant to an ordinance of the Issuer enacted by the City Council of the Issuer on April 5, 2001, as supplemented by a supplemental resolution enacted and adopted by the City Council on April 5, 2001 (such ordinance, as so supplemented and amended, herein called the "Series 2001 Bonds Ordinance" and collectively with the Series 1992 Ordinance, herein called the "Prior Ordinance");

WHEREAS, the Series 1992 Bonds were issued in part, as current interest bonds (the "Current Interest Bonds"), the interest on which accrues and is payable on

March 1 and September 1 of each year, and in part, as capital appreciation bonds (the "CABS"), the interest on which accrues and is compounded on each March 1 and September 1 and is paid at maturity;

WHEREAS, under the provisions of Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (the "Bond Act"), the Issuer is authorized and empowered to acquire, construct and operate additions, betterments and improvements for the System and issue revenue bonds to pay all or any portion of the costs thereof, and, under the provisions of Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of the outstanding Prior Bonds;

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City of Clarksburg and other users of the System to currently refund that portion of the Series 1992 Bonds consisting of the Current Interest Bonds as hereinafter set forth, in order to achieve interest cost savings (the "Refunding"), but to leave Outstanding that portion of the Series 1992 Bonds consisting of the CABS, thus effecting the refunding of a portion of the Series 1992 Bonds;

WHEREAS, the Issuer is advised that present value interest savings will be realized as a result of the Refunding;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents and other users of the System, to currently refund the Current Interest Bonds to their first redemption date, being September 1, 2002, in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "City of Clarksburg Water Refunding Revenue Bonds, Series 2002" (the "Series 2002 Bonds"), in the maximum aggregate principal amount of $20,000,000, and other moneys of the Issuer, such Series 2002 Bonds to be secured by and payable from the Gross Revenues (as hereinafter defined) of the System, and containing such other terms and provisions as are hereinafter provided;

WHEREAS, the Issuer now desires to authorize the Refunding as aforesaid, and to provide for the financing thereof by the issuance of the Series 2002 Bonds as hereinafter provided;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLARKSBURG HEREBY ORDAINS:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. **Definitions.** All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"**Act**" means collectively, Chapter 8, Article 19 (the "Bond Act") and Chapter 13, Article 2E (the "Refunding Act"), of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2002 Bonds.

"**Authorized Newspaper**" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"**Board**" shall mean the separate municipal corporation known as the "Clarksburg Water Board," existing under Section 25 of the charter of the City of Clarksburg and having powers and duties as set forth in Section 27 of such charter.

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

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

"**Bond Insurer**" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2002 Bonds, shall mean the Bond Insurer designated in the Supplemental Resolution.

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

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

"Bonds" means, collectively, the Series 2002 Bonds, the Series 2001 Bonds, the CABS, 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.

"CABS" means the portion of the Series 1992 Bonds, the interest on which accrues and is compounded on each March 1 and September 1 and is paid at maturity, issued in the original aggregate principal amount of $1,970,405 ($6,350,000 aggregate maturity amount).

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2002 Bonds, in substantially the form set forth in EXHIBIT A hereto.

"City" or "Issuer" means the City of Clarksburg, a municipal corporation of the State of West Virginia, in Harrison County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"City Clerk," "Recording Officer" or **"Clerk"** means the City Clerk of the Issuer.

"City Manager" means the current City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the 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.

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

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or **"Costs of the Refunding"** or similar terms, means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Current Interest Bonds, including payment of redemption premiums and accrued interest thereon; amounts which may be deposited in the Reserve Account; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to the Refunding, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, fiscal agent fees and expenses, underwriter's discount, initial fees for the services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Bonds and refunding of the Current Interest 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, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Refunding.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

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

"Current Interest Bonds" means that portion of the Series 1992 Bonds, the interest on which accrues and is payable on March 1 and September 1 of each year, and which are redeemable on September 1, 2002, issued in the original aggregate principal amount of $23,530,000.

"Debt Service," with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"Depreciation Fund" means the Depreciation Fund continued by Section 4.01 hereof.

"DTC" means The Depository Trust Company, New York, New York or its successor.

"DTC-eligible" means, with respect to the Series 2002 Bonds, meeting the qualifications prescribed by DTC.

"Escrow Agent" means the escrow agent under the Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"Escrow Agreement" means the agreement to be entered into between the Issuer, the Board and the Bond Commission, providing for the defeasance and ultimate payment of the Current Interest Bonds, the deposit therein of proceeds of the Series 2002 Bonds, the disposition of moneys in the various funds and accounts under the Series 1992 Bonds Ordinance and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement.

"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.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments) or any Tap Fees.

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any

succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"**Mayor**" means the current Mayor of the Issuer.

"**Municipal Bond Insurance Policy**" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 2002 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2002 Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"**Net Proceeds**" means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Account.

"**Net Revenues**" means Gross Revenues less Operating Expenses.

"**Operating Expenses,**" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, fees for the provider of a Reserve Account Letter of Credit, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Escrow Trustee, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Current Interest Bonds or the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"**Operation and Maintenance Fund**" means the Operation and Maintenance Fund continued by Section 4.01.

"**Ordinance**" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means, Ferris, Baker Watts, Incorporated, Charleston, West Virginia, as the purchasers of the Series 2002 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2002 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2002 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2002 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of said Series 2002 Bonds.

"Outstanding," when used with reference to Bonds or Current Interest Bonds and as of any particular date, describes all Bonds or Current Interest Bonds theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bond at or prior to said date; (b) any Bond or Prior Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Registrar and any other paying agent for the Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" shall mean collectively, the Series 1992 Bonds and the Series 2001 Bonds.

"Prior Ordinance" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Qualified Investments" means and includes, to the extent permitted by law, any of the following:

(i) Government Obligations.

[language to be provided by Bond Insurer and set forth in the Supplemental Indenture]

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Account" means the Redemption Account created in the Sinking Fund by Section 4.02 hereof.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

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

"Refunding" means the defeasance and redemption on September 1, 2002, of the Current Interest Bonds, the funding of the Reserve Account for the Series 2002 Bonds and the payment of costs of issuance of the Series 2002 Bonds and other costs relating to the refunding of the Current Interest Bonds.

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

"Reserve Account" means the Reserve Accounts created or continued in the Sinking Fund by Section 4.02 hereof.

"Reserve Account Letter of Credit" means a letter of credit, line of credit or similar credit facility approved by the Bond Insurer for the applicable series of Bonds and issued by a bank, insurance company or other financial institution approved by such Bond Insurer for deposit in the Reserve Account in lieu of all or a portion of cash or Qualified Investments on deposit or to be deposited therein.

"Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the applicable series of Bonds.

"Revenue Fund" means the Revenue Fund continued by Section 4.01 hereof.

"Series 1992 Bonds" means the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, originally issued in the aggregate principal amount of $25,500,405, of which $19,345,405 presently Outstanding.

"Series 2001 Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, originally issued in the aggregate principal amount of $2,383,850, of which $2,075,623 (drawn to date) is presently Outstanding.

"Series 2002 Bonds" means the Water Refunding Revenue Bonds, Series 2002, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Sinking Fund" means the Sinking Funds created or continued by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2002 Bonds and authorizing the sale of the Series 2002 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Gross Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2), (3) and (4) have first been paid.

"System" means, collectively, the complete existing municipal waterworks system of the City, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

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

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

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

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

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation of the State of West Virginia, in Harrison County of said State.

B. The Issuer now owns and operates, through the Board, the System, the acquisition and construction of which has been financed or refinanced in part by the proceeds of the Prior Bonds which are currently Outstanding in the aggregate principal amount of $21,421,028 and other bonds which have either been refunded and defeased by the Prior Bonds or otherwise, or are no longer Outstanding.

C. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 2002 Bonds and funding of the Escrow Fund, a portion of the Prior Bonds, consisting of the Current Interest Bonds, will be defeased and the Series 2002 Bonds will be secured by

a first lien on the Gross Revenues, on a parity with the remaining Prior Bonds (consisting of the CABS) and the Series 2001 Bonds.

D. The Issuer intends to issue the Series 2002 Bonds and to pledge for payment thereof, the Gross Revenues of the System.

E. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the Current Interest Bonds, to provide for the repair, maintenance and operation of the System, the payment of interest upon all bonds issued pursuant to the Act and to create a sinking fund, as hereinafter provided, to pay the principal thereof as and when it becomes due and reasonable reserves therefor, to provide an adequate Depreciation Fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

F. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2002 Bonds presented to the Issuer by the Original Purchaser, and after making allowance for the use of cash on hand of the Issuer, the Series 2002 Bonds show a net present value savings to the Issuer after deducting all expenses of the Refunding and the costs of issuing the Series 2002 Bonds.

G. The Issuer shall not sell the Series 2002 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph F, above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2002 Bonds, and the Issuer shall not issue the Series 2002 Bonds without having obtained from an independent certified public accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2002 Bonds and the net interest cost in dollars of the Current Interest Bonds.

H. Subject to the determination and certification required by paragraph G, above, it is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue the Series 2002 Bonds and secure the Series 2002 Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the System, the moneys in the Reserve Account, unexpended proceeds of the Series 2002 Bonds and as further set forth herein.

I. The Series 2002 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

J. All things necessary to make the Series 2002 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2002 Bonds, will be timely done and duly performed.

K. The enactment of this Ordinance, and the execution and issuance of the Series 2002 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 1992 Bonds issued as Current Interest Bonds and Outstanding as of the date of issuance of the Series 2002 Bonds in the aggregate principal amount of $17,375,000 ($16,485,000 principal amount Outstanding following payment of the September 1, 2002 principal installment) are hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the pledge of Gross Revenues in favor of the Holders of such Current Interest Bonds imposed by the Prior Ordinance, the moneys in the funds and accounts created by the Prior Ordinance and any other funds pledged by the Prior Ordinance to payment of the Current Interest Bonds are hereby ordered terminated, discharged and released upon the payment into the Escrow Fund from the proceeds of the Series 2002 Bonds, together with other moneys available therefor, of the following: (a) if required by the Escrow Agreement, an amount equal to the fiscal and paying agent charges and the Escrow Trustee charges to become due and payable in connection with the Current Interest Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such Current Interest Bonds as the same become due, to the first date upon which the entire aggregate amount of the Current Interest Bonds may be redeemed, being September 1, 2002, all as set forth in the Escrow Agreement. Contemporaneously with the deposit of such Series 2002 Bond proceeds into the Escrow Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Current Interest Bonds shall be deposited in the Escrow Fund, the Reserve Account or such other fund or account as shall be set forth in the Escrow Agreement, and invested as provided in the Escrow Agreement.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 2002 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

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

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, by their respective manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who

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

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A attached hereto and incorporated herein by reference with respect to the Series 2002 Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

So long as any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

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

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Redemption Account in accordance with

Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory redemption date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the redemption date (interest to be paid from the Sinking Fund), as will exhaust as nearly as practicable such Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory redemption date, in such manner as

may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, the Original Purchaser, and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

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

(1) The Redemption Date,

(2) The Redemption Price,

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

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

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

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

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of

interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

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

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Series 2002 Bonds. For the purposes of refunding a portion of the Outstanding Series 1992 Bonds of the Issuer (consisting of the Current Interest Bonds), funding the Reserve Account and paying costs in connection therewith, there shall be issued the Series 2002 Bonds of the Issuer, in an aggregate principal amount of not more than $20,000,000. Said Series 2002 Bonds shall be designated "Water Refunding Revenue Bonds, Series 2002" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2002 Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2002 Bonds shall be numbered from R-1 consecutively upward. The Series 2002 Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally

permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2002 Bonds. The Series 2002 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of Series 2002 Bonds of each maturity, and shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2002 Bonds are so issued and registered, DTC (or its nominee) shall be treated as the sole Registered Owner for all purposes hereunder. Each Bond shall bear a legend substantially to the following effect "Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein."

With respect to Series 2002 Bonds registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2002 Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2002 Bonds, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option

with respect to any Bond for the purpose of making payment of any purchase price of such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2002 Bonds and the purchase price of any Bond only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2002 Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2002 Bonds. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2002 Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond certificates and transfer one or more separate Bond certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2002 Bonds shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2002 Bonds shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2002 Bonds hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2002 Bonds. The Issuer shall execute and deliver the Series 2002 Bonds to the Registrar, and the Registrar shall authenticate,

register and deliver the Series 2002 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2002 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2002 Bonds to DTC for the benefit of the Original Purchaser;

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

(D) The unqualified approving opinion of Bond Counsel regarding the Series 2002 Bonds; and

(E) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 2002 Bonds. The definitive Series 2002 Bonds shall be in substantially the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2002 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2002 Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2002 Bonds. Upon the issuance and delivery of the Series 2002 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2002 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Sinking Fund and applied to payment of interest on the Series 2002 Bonds at the first interest payment date.

B. The amount of Series 2002 Bond proceeds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the portion of the Series 1992 Bonds constituting the Current Interest Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

C. The amount of Series 2002 Bond Proceeds which, together with other moneys of the Issuer dedicated to such purpose, is equal to the Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Reserve Account, provided that, to the extent the Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinance or a Reserve Account Letter of Credit or similar credit facility acceptable to the Bond Insurer for the applicable series of Bonds, Series 2002 Bond Proceeds shall be deposited in the Reserve Account only to the extent needed to satisfy the balance of the Reserve Account Requirement.

D. The balance of the proceeds of the Series 2002 Bonds shall be deposited with the Depository Bank in the Series 2002 Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2002 Bonds and miscellaneous costs of refunding the Current Interest Bonds at the written direction of the Issuer. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Construction Fund. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2002 Bonds from which such proceeds are derived.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if created by the Prior Ordinance), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other, (except as set forth in this Section 4.01) and used solely for the purposes provided herein:

(1) Revenue Fund (created by the Prior Ordinance);

(2) Depreciation Fund (created by the Prior Ordinance);

(3) Operation and Maintenance Fund (created by the Prior Ordinance);

(4) Costs of Issuance Fund; and

(5) Rebate Fund.

Moneys in such Funds and Subaccounts may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds and accounts are hereby established (or continued if created by the Prior Ordinance), with and shall be held by the Bond Commission:

(1) Series 1992 Bonds Sinking Fund (created by the Series 1992 Bonds Ordinance);

(a) Within the Series 1992 Bonds Sinking Fund:

(i) Series 1992 Bonds Reserve Account; and

(ii) Series 1992 Bonds Redemption Account;

(2) Series 2001 Bonds Sinking Fund (created by the Series 2001 Bonds Ordinance);

(a) Within the Series 2001 Bonds Sinking Fund:

(i) Series 2001 Bonds Reserve Account;

(3) Series 2002 Bonds Sinking Fund;

(a) Within the Series 2002 Bonds Sinking Fund:

(i) Series 2002 Bonds Reserve Account; and

(ii) Series 2002 Bonds Redemption Account;

In addition to the foregoing funds and accounts established or continued in this Section 4.02 and Section 4.01, the Issuer may establish such other funds and accounts as it may deem appropriate for any particular series of Bonds by provision therefor in a Supplemental Resolution.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2002 Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Prior Bonds Sinking Funds, the amounts required by the Prior Ordinance to pay the interest on and principal of the Prior Bonds; (ii) commencing 7 months prior to the first interest payment date of the Series 2002 Bonds, for deposit in the Series 2002 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2002 Bonds Sinking Fund and the next ensuing semiannual

interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 Bonds deposited therein; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 Bonds, for deposit in the Series 2002 Bonds Sinking Fund and in the Series 2002 Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2002 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Moneys in the Sinking Funds shall be used only for the purposes of paying principal of and interest on the Bonds, whether by maturity or redemption prior to maturity and, with respect to the Reserve Accounts therein, any amounts necessary to fund such Reserve Account to maintain the applicable Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into any Sinking Fund when the aggregate amount of funds in such Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of applicable Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2002 Bonds are issued, provision shall be made for additional deposits into the Reserve Account sufficient to maintain the Reserve Account Requirement in accordance with the provisions hereof.

The payments into the Sinking Funds shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond

Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

(2) The Issuer shall next, from the moneys remaining in the Revenue Fund each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay current Operating Expenses of the System.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Prior Bonds Reserve Accounts, the amount required by the Prior Ordinance; and (ii) for deposit in the Series 2002 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2002 Bonds Reserve Account below the Series 2002 Bonds Reserve Requirement or any withdrawal from the Series 2002 Bonds Reserve Account, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Series 2002 Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 Bonds Reserve Account is less than the Series 2002 Bonds Reserve Requirement, or (ii) any amount is withdrawn from the Series 2002 Bonds Reserve Account for deposit into the Series 2002 Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2002 Bonds Reserve Account to an amount equal to the Series 2002 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2002 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2002 Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2002 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2002 Bonds Reserve Requirement.

Amounts in the Series 2002 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2002 Bonds when due, when amounts in the Series 2002 Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month commencing with the first month in which interest shall be payable from the Revenue Fund, transfer to the Depreciation

Fund a sum equal to not less than 5% of the Gross Revenues each month. No further payments shall be required to be made into the Depreciation Fund when there shall have been deposited therein, and so long as there shall remain on deposit therein, the sum of $1,000,000.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in a Reserve Account (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a Reserve Account Letter of Credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Fund (including the Reserve Account);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board, moneys in the Depreciation Fund in excess of $1,000,000 may be transferred by the Issuer to the Redemption Account and used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(5) If on any monthly payment date the Revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then

remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2002 Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such Series of Bonds then Outstanding, if less than the full amount required hereby.

E. All Tap Fees shall be deposited by the Issuer, as received, in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES AND CONTINUING DISCLOSURE AGREEMENT

Section 5.01. **Investments.** The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Depreciation Fund or Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts

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

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

(E) Notwithstanding the foregoing, all moneys deposited in any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds of each series in such manner and to such extent as may be necessary, so that such Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on such Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2002 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer or the Board shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which,

notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer or the Board shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer or the Board shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer or the Board shall assure that such payments are made by the Issuer or the Board to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer or the Board at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Board may deem appropriate in order to assure compliance with this Section 5.03. The Issuer or the Board shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer or the Board fails to make such rebates as required, the Issuer or the Board shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. **Continuing Disclosure Agreement.** The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2002 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2002 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2002 Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2002 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the moneys in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account therein and the unexpended proceeds of the Series 2002 Bonds, all as herein provided. No Holder or Holders of the Series 2002 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 Bonds or the interest thereon.

Section 6.03. Bonds Secured by Parity Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2002 Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Outstanding Prior Bonds and all moneys in the Series 2002 Bonds Sinking Fund, including the Series 2002 Bonds Reserve Account therein. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Outstanding Prior Bonds and the Series 2002 Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Outstanding Prior Bonds and the Series 2002 Bonds as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. **Rates.** Prior to the issuance of the Series 2002 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer and the Board hereby covenant and agree that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Account in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer and the Board, as appropriate, hereby covenant to commence enactment of such rate ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination by the independent Consulting Engineers pursuant to their written report prepared in compliance with Section 6.10 hereof that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 6.05. **Operation and Maintenance.** The Issuer or the Board, as appropriate, will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Gross Revenues of said System in the manner provided in this Ordinance.

Section 6.06. **Sale of the System.** The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Board by the Bond Commission unless

necessary for the payment of other obligations of the Issuer payable out of the Revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer or the Board into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund or the Redemption Account shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Gross Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.08 hereof, payable from the Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Revenues and in all other respects to the Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such additional parity Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and Revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No additional parity Bonds, as in this section defined, payable out of the Gross Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the Gross Revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Prior Bonds then Outstanding;

(2) The Series 2002 Bonds then Outstanding;

(3) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(4) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes

of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Series 2002 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2002 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

No additional parity Bonds shall be valid unless authenticated pursuant to Section 3.03. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by Section 3.12 with respect to the Series 2002 Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

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

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, if any (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and

the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the

County Commission of Harrison County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer and employee of the Board having custody of the Revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.10. Report of Consulting Engineers. The Issuer or the Board shall, at least once each year, retain recognized qualified independent Consulting Engineers to review the operation, maintenance and repair of the System and to report to the Issuer and the Board in writing their recommendations and comments pertaining to the System, including the rate coverage of the System for each Fiscal Year. Such annual report of the Consulting Engineers, or a summary thereof, shall be made available, upon request, to the Original Purchaser, any Bond Insurer and any Bondholder.

Section 6.11. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be Gross Revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other Revenues derived from such operation of the System.

Section 6.12. Enforcement of Collections. The Issuer or the Board will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

Section 6.13. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board or 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 shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer or the Board shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

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

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.15. **Operating Budget.** The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.16. **Tax Covenants.** The Issuer hereby further covenants and agrees as follows:

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

arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

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

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

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

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

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 2002 Bonds from the Bond Insurer. Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution, are required by the Bond Insurer as a condition to insuring the Series 2002 Bonds, shall apply to the Series 2002 Bonds and any other Bonds which may be insured by the Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any Bond;

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

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such

remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

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

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

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

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2002 Bonds shall be appointed pursuant to the Supplemental Resolution. The City Manager of the Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Bonds. The Fiduciaries and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Fiduciaries May Act. Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or

not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or

national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent and Depository Bank. The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national

banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Gross Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

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

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument

is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the

Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26101
Attention: City Manager

REGISTRAR AND PAYING AGENT

[Name and address
to be set forth in the
Supplemental Resolution]

DEPOSITORY BANK

[Name and address
to be set forth in the
Supplemental Resolution]

ORIGINAL PURCHASERS

Ferris, Baker Watts, Incorporated
100 Laidley Tower
500 Lee Street
Charleston, West Virginia 25301
Attention: Senior Vice President

BOND INSURER

[Name and address
to be set forth in the
Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed, provided however, that the Prior Ordinance shall remain in full force and effect so long as any of the Prior Bonds are Outstanding.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer

to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the Clarksburg Exponent-Telegram , a newspaper published and having a general circulation in the City of Clarksburg, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on July 11, 2002, at 6:00 p.m., in the meeting room of the Council in the City Hall of the City of Clarksburg and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	May 2, 2002
Second Reading:	May 16, 2002
Effective following Public Hearing held on:	May 30, 2002

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

APPROVED AND CORRECT AS TO FORM:

City Attorney

APPROVED:

President, Clarksburg Water Board

CL764033.4

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of the CITY OF CLARKSBURG at a regular meeting of the City Council held at 7:30 p.m., on May 30, 2002, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in the City of Clarksburg, the first publication having been not less than 10 days prior to such public hearing.

Dated this July 25, 2002.

[SEAL]

Annette M. Wright
City Clerk

EXHIBIT A - BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG, WEST VIRGINIA
WATER REFUNDING REVENUE BOND, SERIES 2002

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest

Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "City of Clarksburg Water Refunding Revenue Bonds, Series 2002" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2002, the proceeds of which are to be used, together with other funds of the City (i) to refund a portion of the City of Clarksburg Waterworks Improvement and Refunding Revenue Bonds, Series 1992, of the Issuer, consisting of the Current Interest Bonds outstanding in the aggregate principal amount of $_____ (collectively, the "Current Interest Bonds"), which Current Interest Bonds were issued to refinance the cost of construction of certain additions, betterments and improvements to the waterworks system of the Issuer; (ii) to fund a reserve account for the Series 2002 Bonds; and (iii) to pay certain costs of issuance of the Series 2002 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 2002, and supplemented by a supplemental resolution adopted by said Council on _____, 2002 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of

said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in the City of Clarksburg, West Virginia.

[The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Name of Bond Insurer].

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____

Year (____)	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATERWORKS REFUNDING REVENUE BONDS,

SERIES 1992, DATED DECEMBER 1, 1992, ISSUED AS CAPITAL APPRECIATION BONDS, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "CABS") AND THE ISSUER'S WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM) DATED APRIL 23, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,383,850 (THE "SERIES 2001 BONDS," AND TOGETHER WITH THE CABS HEREIN CALLED THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) 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 moneys in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the moneys in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to refund the Current Interest Bonds, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all

other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality or county commission, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, the CITY OF CLARKSBURG has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

(Manual or Facsimile Signature)
City Manager

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be Provided by Bond Insurer]

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

07/15/02
155510.00009

CITY OF CLARKSBURG
(WEST VIRGINIA)

Refunding Revenue Bonds, Series 2002

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION ESTABLISHING AMOUNT, MATURITIES, INTEREST RATES, PRICES, REDEMPTION PROVISIONS AND OTHER DETAILS AS TO THE WATER REFUNDING REVENUE BONDS, SERIES 2002, OF THE CITY; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, A COMMITMENT FOR MUNICIPAL BOND INSURANCE, A REGISTRAR AGREEMENT, AN ESCROW AGREEMENT, AN OFFICIAL STATEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; IMPLEMENTING PROVISIONS REQUIRED AS A CONDITION TO OBTAINING A MUNICIPAL BOND INSURANCE POLICY INSURING THE BONDS FROM FINANCIAL GUARANTY INSURANCE COMPANY; APPOINTING AN ESCROW AGENT, REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the City of Clarksburg (the "Issuer"), in the County of Harrison, State of West Virginia, is a municipal corporation of said State, the governing body of which is this Council;

WHEREAS, this Council duly enacted on May 30, 2002, an ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992; THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2002 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE

SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, such Ordinance provided for the issuance of the City of Clarksburg Water Refunding Revenue Bonds, Series 2002 (the "Series 2002 Bonds"), in an aggregate principal amount not to exceed $20,000,000, for the purposes of currently refunding a portion of the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, consisting of current interest bonds (such portion herein called the "Refunded Series 1992 Bonds"), and paying costs of issuance of the Series 2002 Bonds and other costs relating to such refunding, all in accordance with the Act (as defined in the Ordinance);

WHEREAS, the Ordinance further provided that the exact principal amount of the Series 2002 Bonds to be sold and the dates, maturities, interest rates, redemption provisions, prices and other terms of the Series 2002 Bonds should be established, that a Bond Insurer, an Escrow Agent, Registrar, Paying Agent and Depository Bank be designated, that an Escrow Agreement and Registrar, Paying Agent and Depository Bank Agreements be approved, that additional covenants and provisions relating to the Series 2002 Bonds be provided herein as may be required by any Bond Insurer as a condition to insuring such Series 2002 Bonds, and that other matters pertaining to the Series 2002 Bonds be provided for by a supplemental resolution of this Council upon receipt of a Bond Purchase Agreement acceptable to this Council;

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

WHEREAS, the Series 2002 Bonds are proposed to be purchased by Ferris, Baker Watts, Incorporated (the "Original Purchaser"), pursuant to a Bond Purchase Agreement by and among the Original Purchaser, the Issuer and the Clarksburg Water Board (the "Bond Purchase Contract");

WHEREAS, the Issuer has obtained a commitment for Municipal Bond Insurance for the Series 2002 Bonds (the "Commitment") from Financial Guaranty Insurance Company (the "Bond Insurer") and has determined that it is advantageous for the Issuer to obtain such Bond Insurance Policy and provide herein for certain matters required by the Bond Insurer as a condition to issuing such Bond Insurance Policy;

WHEREAS, this Council wishes to approve the final terms of the Series 2002 Bonds, including the exact principal amount, interest rates, redemption provisions, maturities, purchase price and other terms of the Series 2002 Bonds and to delegate to the City Manager the authority to approve, within the parameters set forth herein and in the Ordinance, the final terms and provisions of all documents relating to the Series 2002 Bonds (the "Bond Documents"), without the requirement of further official action by this Council; and

WHEREAS, this Council deems it essential and desirable that this Supplemental Resolution be adopted and that the Bond Purchase Contract, the Continuing Disclosure Certificate, the Commitment for Municipal Bond Insurance, the Escrow Agreement and the Registrar, Paying Agent and Depository Bank Agreements hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2002 Bonds, hereinafter described, be approved, that the exact principal amount, the prices, the maturity dates and amounts, the redemption provisions and the interest rates of the Series 2002 Bond, be fixed hereby in the manner stated herein, that provisions required by the Bond Insurer as a condition to issuing its Bond Insurance Policy be provided herein and that other matters relating to the Series 2002 Bonds be herein provided for, all in accordance with said Ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLARKSBURG HEREBY RESOLVES:

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 Series 2002 Bonds. The Series 2002 Bonds shall be dated July 1, 2002, upon original issuance, shall be issued in the aggregate principal amount of $16,260,000, shall bear interest and prices with interest payable semiannually on such dates and shall have such redemption provisions and other terms as are in EXHIBIT A - SERIES 2002 BOND TERMS, attached hereto and incorporated by reference herein. All other provisions relating to the Series 2002 Bonds shall be as provided in the Ordinance, and the Series 2002 Bonds shall be in substantially the form provided in the Ordinance.

Section 2. The Bond Purchase Contract between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery

(in multiple counterparts) by the City Manager of the Bond Purchase Contract on behalf of the Issuer are hereby authorized, approved, and directed. The City Manager shall execute and deliver the Bond Purchase Contract with such changes, insertions and omissions as may be approved by the City Manager. Execution of the Bond Purchase Contract by the City Manager shall be conclusive evidence of any approval required by this Section and authorization of any action required by the Bond Purchase Contract relating to the issuance and sale of the Series 2002 Bonds, including the payment of all necessary fees and expenses in connection therewith. The price of the Series 2002 Bonds shall be as set forth in the Bond Purchase Contract, plus interest accrued from the date of the Series 2002 Bonds to the date of delivery of the Series 2002 Bonds, expected to be on or about July 25, 2002.

Section 3. The Continuing Disclosure Certificate of the Issuer, to be dated as of the date of delivery of the Series 2002 Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the City Manager thereof shall be and the same is hereby authorized, approved and directed. The City Manager shall execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by the City Manager. Execution of the Continuing Disclosure Certificate by the City Manager shall be conclusive evidence of any approval required by this Section.

Section 4. The Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission as Escrow Agent, to be dated as of the date of delivery of the Series 2002 Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the City Manager thereof shall be and the same are hereby authorized, approved and directed. The City Manager shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the City Manager. Execution of the Escrow Agreement by the City Manager shall be conclusive evidence of any approval required by this Section.

Section 5. The Official Statement to be dated on the date of sale of the Series 2002 Bonds, to be substantially in the form of the Preliminary Official Statement described below (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor and City Manager), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor and City Manager shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor and City Manager. The execution of the Official Statement by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section. The distribution by the Original Purchaser of the Preliminary Official Statement dated July 2, 2002 (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor and City Manager is hereby ratified and approved.

Section 6. The Registrar Agreement to be dated as of the date of delivery of the Series 2002 Bonds, by and between the Issuer and the Registrar designated herein, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The City Manager shall execute and deliver the Registrar, Paying Agent and Depository Bank Agreement with such changes, insertions and omissions as may be approved by the City Manager. The execution of the Registrar, Paying Agent and Depository Bank Agreement by the City Manager shall be conclusive evidence of any approval required by this Section.

Section 7. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by the Bond Insurer will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Insurance Policy, and accordingly accepts the Commitment for Municipal Bond Insurance (the "Commitment") of Financial Guaranty Insurance Company, dated June 26, 2002. The Mayor and City Manager are hereby authorized and directed to execute the approval of the Commitment and deliver the same to the Bond Insurer. Execution by the Mayor and City Manager of the Commitment shall be conclusive evidence of any approval required by this Section.

Section 8. Pursuant to the Commitment, and, as permitted by Section 6.17 of the Ordinance, the following covenants and provisions which are required by the Bond Insurer as a condition precedent to issuance of its Municipal Bond Insurance Policy are hereby set forth, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2002 Bonds:

Definitions

"Bond Insurance Policy" means the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Bonds.

"Bond Insurer" means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Qualified Investments" means, to the extent permitted by the laws of the State, the following, such investments to be valued as deemed necessary by the Bond Insurer, but not less than annually, at the market value thereof, exclusive of accrued interest, with deficiencies in the amount on deposit in any fund or account resulting in a decline in market value to be restored no later than the succeeding valuation date:

1. Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("U.S. Government Securities").

2. Direct obligations* of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

   (a) Export-Import Bank of the United States – Direct obligations and fully guaranteed certificates of beneficial interest
   (b) Federal Housing Administration – debentures
   (c) General Services Administration – participation certificates
   (d) Government National Mortgage Association ("GNMAs") – guaranteed mortgage-backed securities and guaranteed participation certificates
   (e) Small Business Administration – guaranteed participation certificates and guaranteed pool certificates
   (f) U.S. Department of Housing & Urban Development – local authority bonds
   (g) U.S. Maritime Administration – guaranteed Title XI financings
   (h) Washington Metropolitan Area Transit Authority – guaranteed transit bonds

3. Direct obligations* of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

   (a) Federal National Mortgage Association ("FNMAs") – senior debt obligations rated Aaa by Moody's Investors Service ("Moody's") and AAA by Standard & Poor's Ratings Services ("S&P")
   (b) Federal Home Loan Mortgage Corporation ("FHLMCs") – participation certificates and senior debt obligations rated Aaa by Moody's and AAA by S&P
   (c) Federal Home Loan Banks – consolidated debt obligations
   (d) Student Loan Marketing Association – debt obligations
   (e) Resolution Funding Corporation – debt obligations

4. Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P.

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* The following are explicitly excluded from the securities enumerated in 2 and 3:

(i) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
(ii) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
(iii) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and
(iv) Collateralized Mortgage-Backed Obligations ("CMOs").

5. Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody's and A-1 or better by S&P.

6. Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.

7. Certificates of deposit, deposit accounts, federal funds or bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank, provided that such bank's short-term certificates of deposit are rated P-1 by Moody's and A-1 or better by S&P (not considering holding company ratings).

8. Investments in money-market funds rated AAAm or AAAm-G by S&P.

9. State-sponsored investment pools rated A- or better by S&P.

10. Repurchase agreements that meet the following criteria:

    (a) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.

    (b) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P.

    (c) The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn or fall below A3 or P-1 from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.

    (d) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA or FHLMC described in 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and

accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMAs, FNMAs or FHLMCs. The repurchase agreement shall require (i) the Trustee or the Agent to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) business days of such valuation.

(e) The repurchase securities shall be delivered free and clear of any lien to the Paying Agent or to an independent third party acting solely as agent ("Agent") for the Paying Agent, and such Agent is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits or, if appropriate, a net worth, of not less than $50 million, and the Paying Agent shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Paying Agent.

(f) A perfected first security interest in the repurchase securities shall be created for the benefit of the Paying Agent, and the Issuer and the Paying Agent shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.

(g) The repurchase agreement shall have a term of one year or less, or shall be due on demand.

(h) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities, unless Financial Guaranty directs otherwise:

(i) insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;
(ii) failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under item 10(d) above; or
(iii) failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

11. Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

(a) A master agreement or specific written investment agreement governs the transaction.

(b) Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and A by S&P; (ii) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (iii) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P.

(c) Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured and unguaranteed rating of A1 or better by Moody's and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least A1 by Moody's and A+ by S&P; (iii) domestic insurance companies rated at least A1 by Moody's and A+ by S&P; and (iv) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in 11(f) below.

(d) The investment agreement shall provide that if the provider's ratings fall below Aa3 by Moody's or A- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.

(e) The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty.

(f) The investment agreement shall provide for the delivery of collateral described in (i) or (ii) below ("Permitted Collateral") which shall be maintained at the following collateralization levels at each valuation date:

(i) U.S. Government Securities at 104% of principal plus accrued interest; or

(ii) Obligations of GNMA, FNMA or FHLMC (described in 2(d), 3(a) and 3(b) above) at 105% of principal and accrued interest.

(g) The investment agreement shall require the Paying Agent or Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Paying Agent to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:

(i) the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal or Reuters;

(ii) valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or

(iii) the lower of two bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.

(h) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account and registered in the name of the Paying Agent or the Agent.

(i) The provider shall grant the Paying Agent or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under 11(f) above, the Paying Agent and Financial Guaranty shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

(j) The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Paying Agent without condition, breakage fee or other penalty, upon not more than two (2) business days' notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:

(i) In the event of a deficiency in the debt service account;

(ii) Upon acceleration after an event of default;

(iii) Upon refunding of the bonds in whole or in part;

(iv) Reduction of the debt service reserve requirement for the bonds; or

(v) If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Paying Agent if the issuer's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Series 2002 Bonds and to make deposits to the Series 2002 Reserve Account.

(k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities, unless:

(i) Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times or in the amounts described above;

(ii) Insolvency of the provider or the guarantor (if any) under the investment agreement;

(iii) Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;

(iv) Failure by the provider to make a payment or observe any covenant under the agreement;

(v) The guaranty (if any) is terminated, repudiated or challenged; or

(vi) Any representation of warranty furnished to the Paying Agent or the Issuer in connection with the agreement is false or misleading.

(l) The investment agreement must incorporate the following general criteria:

(i) "Cure periods" for payment default shall not exceed two (2) business days;

(ii) The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Paying Agent or Financial Guaranty;

(iii) Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior consent of Financial Guaranty;

(iv) If the investment agreement is for the Series 2002 Reserve Account, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate.

(v) The provider shall be required to immediately notify Financial Guaranty and the Paying Agent of any event of default or any suspension, withdrawal or downgrade of the provider's ratings;

(vi) The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim;

(vii) The agreement shall require the provider to submit information reasonably requested by Financial Guaranty, including balance invested with the provider, type and market value of collateral and other pertinent information.

12. Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

(a) A specific written investment agreement governs the transaction.

(b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; and (iii) domestic structured investment companies approved by Financial Guaranty and rated Aaa by Moody's and AAA by S&P.

(c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider's ratings are suspended, withdrawn or fall below A3 or P-1 from Moody's or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.

(d) Permitted securities shall include the investments listed in 1, 2 and 3 above.

(e) The forward delivery agreement shall include the following provisions:

(i) The permitted securities must mature at least one (1) business day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.

(ii) The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.

(iii) Any breakage fees shall be payable only on debt service payment dates and shall be subordinated to the payment of debt service and debt service reserve fund replenishments.

(iv) The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency or receivership of the provider, the securities will not be considered to be a part of the provider's estate, and otherwise acceptable to Financial Guaranty.

(v) The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior written consent of Financial Guaranty.

13. Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the

securities back to the provider under a put, guaranty or other hedging arrangement, only with the prior written consent of Financial Guaranty.

14. The West Virginia "Consolidated Fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

15. Maturity of investments shall be governed by the following:

    (a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.
    (b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.
    (c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five years or less.

Series 2002 Reserve Account Requirements; Surety Guidelines

Any credit instrument provided in lieu of a cash deposit into the Series 2002 Reserve Account, other than one provided by the Bond Insurer, shall conform to the requirements set forth as follows:

The Issuer may satisfy the requirement (the "Reserve Fund Requirement") to deposit a specified amount in the Series 2002 Reserve Account (the "Reserve Fund") by the deposit of a surety bond, insurance policy or letter of credit as set forth below, in the event the Reserve Fund Requirement is fulfilled by a deposit of a credit instrument (other than a credit instrument issued by the Bond Insurer) in lieu of cash:

1. A surety bond or insurance policy issued to the entity serving as trustee or paying agent (the "Fiduciary"), as agent of the bondholders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Series 2002 Bonds (a "municipal bond insurer") may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the claims paying ability of the issuer thereof shall be rated "AAA" or "Aaa" by S&P or Moody's, respectively.

2. A surety bond or insurance policy issued to the Fiduciary, as agent of the bondholders, by an entity other than a municipal bond insurer may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the form and substance of such instrument and the issuer thereof shall be approved by the Bond Insurer.

3. An unconditional irrevocable letter of credit issued to the Fiduciary, as agent of the bondholders, by a bank may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the issuer thereof is rated at least "A" by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the Issuer and the Fiduciary, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

4. If such notice indicates that the expiration date shall not be extended, the Issuer shall deposit in the Reserve Fund an amount sufficient to cause the cash or Qualified Investments on deposit in the Reserve Fund together with any other qualifying credit instruments, to equal the Reserve Fund Requirement on all outstanding Series 2002 Bonds, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the Reserve Fund credit instrument is replaced by a Reserve Fund credit instrument meeting the requirements in any of 1-3 above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Fiduciary shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Fund is fully funded in its required amount.

5. The use of any Reserve Fund credit instrument pursuant to this section shall be subject to receipt of an opinion of counsel acceptable to The Bond Insurer and in form and substance satisfactory to The Bond Insurer as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to The Bond Insurer. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to The Bond Insurer and in form and substance satisfactory to The Bond Insurer to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the bonds (or any other account party under the letter of credit).

6. The obligation to reimburse the issuer of a Reserve Fund credit instrument for any fees, expenses, claims or draws upon such Reserve Fund credit instrument shall be subordinate to the payment of debt service on the Series 2002 Bonds. The right of the

issuer of a Reserve Fund credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Fund. The Reserve Fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund credit instrument and the amount then available for further draws or claims. If (a) the issuer of a Reserve Fund credit instrument becomes insolvent or (b) the issuer of a Reserve Fund credit instrument defaults in its payment obligations thereunder or (c) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P "AAA" or a Moody's "Aaa" or (d) the rating of the issuer of the letter of credit falls below a S&P "A", the obligation to reimburse the issuer of the Reserve Fund credit instrument shall be subordinate to the cash replenishment of the Reserve Fund.

7. If (a) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (b) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P "AAA" or a Moody's "Aaa" or (c) the rating of the issuer of the letter of credit falls below a S&P "A", the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal the Reserve Fund Requirement on all outstanding Series 2002 Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (b) the rating of the issuer of the letter of credit falls below "A" or (c) the issuer of the Reserve Fund credit instrument defaults in its payment obligations or (d) the issuer of the Reserve Fund credit instrument becomes insolvent, the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or Qualified Investments on deposit in the Reserve Fund to equal to Reserve Fund Requirement on all outstanding Bonds, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence.

8. Where applicable, the amount available for draws or claims under the Reserve Fund credit instrument may be reduced by the amount of cash or Qualified Investments on deposit in the Reserve Fund.

9. If the Issuer chooses the above described alternatives to a cash-funded Reserve Fund, any amounts owed by the Issuer to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Authorizing Document for any purpose, *e.g.*, rate covenant or additional bonds test.

10. The Fiduciary shall ascertain the necessity for a claim or draw upon the Reserve Fund credit instrument and provide notice to the issuer of the Reserve Fund credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Fund credit instrument) prior to each interest payment date.

11. Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Fund credit instrument. If and to the extent that more than one Reserve Fund credit instrument is deposited in the Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Default-Related Provisions

(a) The Depository Bank and Paying Agent shall, to the extent there are no other available funds held under the Ordinance, use the remaining funds in any construction fund to pay principal of or interest on the Series 2002 Bonds in the event of a payment default.

(b) In determining whether a payment default has occurred or whether a payment on the Series 2002 Bonds has been made under the Ordinance, no effect shall be given to payments made under the Bond Insurance Policy.

(c) Any acceleration of the Series 2002 Bonds or any annulment thereof shall be subject to the prior written consent of the Bond Insurer (if it has not failed to comply with its payment obligations under the Bond Insurance Policy).

(i) The Bond Insurer shall receive immediate notice of any payment default and notice of any other default known to the Paying Agent or the Issuer within 30 days of the Paying Agent's or the Issuer's knowledge thereof.

(ii) For all purposes of the Ordinance provisions governing events of default and remedies, except the giving of notice of default to Bondholders, the Bond Insurer shall be deemed to be the sole holder of the Series 2002 Bonds it has insured for so long as it has not failed to comply with its payment obligations under the Bond Insurance Policy.

(iii) The Bond Insurer shall be included as a party in interest and as a party entitled to (i) notify the Issuer, the Paying Agent, or any applicable receiver of the

occurrence of an event of default and (ii) request the Paying Agent or receiver to intervene in judicial proceedings that affect the Series 2002 Bonds or the security therefor. The Paying Agent or receiver is hereby required to accept notice of default from the Bond Insurer.

Amendments and Supplements

Any amendment or supplement to the Ordinance or any other principal financing documents shall be subject to the prior written consent of the Bond Insurer. Any rating agency rating the Series 2002 Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption. The Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

Successor Paying Agents, Etc.

No resignation or removal of the Paying Agent or Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Registrar, as applicable. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent Registrar and the appointment of any successor thereto.

Defeasance Provisions

Only cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing) shall be used to effect defeasance of the Series 2002 Bonds unless the Bond Insurer otherwise approves. In the event of an advance refunding, the Issuer shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the authorizing document, if no separate escrow agreement is utilized), the terms of the escrow agreement or authorizing document, if applicable, shall be controlling.

Reporting Requirements

The Bond Insurer shall be provided with the following information:

(a) Notice of any drawing upon or deficiency due to market fluctuation in the amount, if any, on deposit, in the Series 2002 Bonds Reserve Account;

(b) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Series 2002 Bonds, or of any advance refunding of the Series 2002 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(c) Notice of any material events pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934; and

(d) Such additional information as the Bond Insurer may reasonably request from time to time.

Section 9. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacities of Escrow Agent and Paying Agent.

Section 10. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Wheeling, West Virginia, for the purpose of serving in the capacity of Registrar for the Bonds, and WesBanco Bank, Inc., Clarksburg, West Virginia, for the purpose of serving as Depository Bank.

Section 11. The appointment of the law firm of Steptoe & Johnson PLLC, Clarksburg, West Virginia, as bond counsel to the City in connection with the issuance of the Series 2002 Bonds is hereby ratified and confirmed.

Section 12. The firm of Tetrick & Bartlett, PLLC, Clarksburg, West Virginia, is hereby engaged for the purpose of verifying yield, savings and sufficiency of the Escrow Fund.

Section 13. The notice addresses for the Registrar, Paying Agent, Depository Bank, Escrow Agent, Original Purchaser and Bond Insurer shall be as follows:

REGISTRAR

WesBanco Bank, Inc.
1 Bank Plaza
Wheeling, West Virginia 26003
Attention: Trust Officer

DEPOSITORY BANK

WesBanco Bank, Inc.
140 West Main Street
Clarksburg, West Virginia 26301
Attention: President

ESCROW AGENT AND PAYING AGENT

West Virginia Municipal Bond Commission
8 Capitol Street
Suite 500, Terminal Building
Charleston, West Virginia 25301
Attention: Executive Director

ORIGINAL PURCHASER

Ferris, Baker Watts, Incorporated
100 Laidley Tower
500 Lee Street
Charleston, West Virginia 25301
Attention: Senior Vice President

BOND INSURER

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Risk Management

and

State Street Bank and Trust Company, N.A.
61 Broadway
New York, New York 10006
Attention: Corporate Trust Department

Section 14. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2002 Bond issue (including, but not limited to a tax certificate and other agreements) to the end that the Series 2002 Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Contract.

Section 15. Under the provisions of the Act, and as provided in the Ordinance and the Series 2002 Bonds, the Series 2002 Bonds and the interest thereon do not constitute indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the Gross Revenues derived from the operation of the System of the Issuer and the Series 2002 Bonds Reserve Account established by the Ordinance, and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Series 2002 Bonds and the interest thereon.

Section 16. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2002 Bonds, as set forth in **Exhibit A**, attached hereto, it is hereby determined that the Series 2002 Bonds show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 2002 Bonds, the Issuer shall have obtained from Tetrick & Bartlett, PLLC or such another independent certified public accountant acceptable to the City Manager, a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2002 Bonds and the net interest cost in dollars of the Refunded Series 1992 Bonds.

Section 17. The Mayor, City Manager, City Clerk and other appropriate officers and employees of the Issuer are hereby authorized and directed to take all further actions necessary to cause the Series 2002 Bonds to be insured by the Bond Insurer or such other municipal bond insurance company as is acceptable to the Original Purchaser, and to issue the Series 2002 Bonds at the earliest practicable date.

Section 18. This Resolution shall be effective immediately.

Adopted this July 11, 2002.

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

APPROVED AND CORRECT AS TO FORM:

City Attorney

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the City Council of the CITY OF CLARKSBURG at a special meeting of the City Council held at 6:00 p.m., on July 11, 2002, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this July 25, 2002.

[SEAL]

Annette M. Wright
City Clerk

EXHIBIT A - SERIES 2002 BOND TERMS

Bond No.	Maturity (September 1)	Amount	Interest Rate	Yield or Price	CUSIP
R-1	2003	$1,090,000	1.600%	1.600%	182072 CT 3
R-2	2004	1,110,000	2.000	2.070	182072 CU 0
R-3	2005	1,135,000	3.000	2.580	182072 CV 8
R-4	2006	1,180,000	4.250	2.910	182072 CW 6
R-5	2007	1,230,000	4.250	3.220	182072 CX 4
R-6	2013	1,280,000	4.125	4.260	182072 CY 2
R-7	2019	9,235,000	5.250	4.960	182072 CZ 9
Total		$16,260,000			

OPTIONAL REDEMPTION

The Series 2002 maturing on and after September 1, 2013, are subject to redemption prior to maturity on or after September 1, 2012, at the option of the Issuer, in whole or in part at any time, in inverse order of maturity, and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (both dates inclusive)	Price
September 1, 2012 to August 31, 2013	101.0%
September 1, 2013 to August 31, 2014	100.5
September 1, 2014 and thereafter	100.0

MANDATORY SINKING FUND REDEMPTION

The Series 2002 Bonds maturing on September 1, 2019 (the "Term Bonds") are subject to mandatory sinking fund redemption by random selection as may be determined by the Paying Agent, at the redemption prices equal to the principal amount thereof (without premium) plus interest accrued to the date fixed for redemption, on the dates and in the amounts set forth below:

$9,235,000 Series 2002 Bonds Maturing September 1, 2019

Date (September 1)	Principal Amount
2014	$1,345,000
2015	1,415,000
2016	1,495,000
2017	1,575,000
2018	1,660,000
2019 *	1,745,000

* Final Maturity

07/15/02
155510/00009

WEST VIRGINIA
Water Development Authority

Celebrating 30 Years of Service ***1974 - 2004***

$1,885,764
City of Clarksburg
Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

TO WHOM IT MAY CONCERN:

In reliance upon the certification of Tetrick & Bartlett, PLLC, independent certified public accountants for the City of Clarksburg (the "Issuer") stating that the coverage and parity requirements established by the Series 2001 A Bonds Ordinance have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001 (the "Series 2001 A Bonds"), by and on behalf of the Authority and the West Virginia Bureau for Public Health, hereby consents to the issuance of the City of Clarksburg Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority) (the "Series 2004 A Bonds"), in the original aggregate principal amount of $1,885,764, by the Issuer, under the terms of the ordinance authorizing the Series 2004 A Bonds, on a parity as to liens, pledge and source of and security for payment with the Series 2001 A Bonds.

WITNESS my signature on this 28th day of September, 2004.

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

Authorized Representative

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

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2004 A
(West Virginia Water Development Authority)

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto The Bank of New York, New York, New York, the Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the City of Clarksburg (the "Issuer"), dated September 28, 2004, issued in the principal amount of $1,885,764, numbered AR-1, standing in the name of the West Virginia Water Development Authority on the books of the Issuer.

WITNESS my signature on this 28th day of September, 2004.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B Meadows
Authorized Representative

09/21/04
155510/00019

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
LOAN PROGRAM II
REQUISITION AS TO LOAN TO GOVERNMENTAL AGENCY

TO: THE BANK OF NEW YORK, Trustee

A. Name of Governmental Agency to which payment is to be made: City of Clarksburg (the "Governmental Agency")

B. (i) Par amount: $1,885,764
(ii) Total amount to be paid: $1,885,764

C. Certification by West Virginia Water Development Authority (the "Authority") for its Loan Program II.

I hereby certify that under the terms and provisions of the Loan Agreement providing for the Loan to the Governmental Agency, dated as of September 23, 2004 (the "Loan Agreement"), the Governmental Agency has sold its Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority) (the "Local Bonds"), to the Authority in the principal amount equal to the amount of the Loan set forth in (B) (i) above, that the Governmental Agency is obligated to make Local Bond Payments and to pay Fees and Charges in accordance with Section 9.09 of the General Resolution and that the Governmental Agency is not in default under any of the terms or provisions of the Loan Agreement.

I further certify that the Local Bond Payments, and other moneys available therefor, will be sufficient to pay interest on and Principal Installments of the Local Bonds, the proceeds of which were used to fund the Loan Obligations, as such interest and Principal Installments come due.

The above certification complies with Subsections 6.06(2)(a)(ii) and (v) of the General Resolution.

Dated this 28th day of September, 2004.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B. Meadows
Authorized Representative

09/22/04
000832/00302

M0436260.1

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

815 QUARRIER STREET, SUITE 418 CHARLESTON, WEST VIRGINIA 25301-2616
TELEPHONE 304-558-2981

PERMIT

PROJECT: (Water) Water Treatment Plant Sludge Handling Project PERMIT NO.: 15,831

LOCATION: Clarksburg COUNTY: Harrison DATE: 10-30-2003

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301-4254

is hereby granted approval to: modify the existing two (2) wastewater-recycle basins into four (4) 150,000 gallon basins (two sequencing batch settling & decanting backwash basins and two sludge clarifier basins) and to add a new sludge dewatering building with a sludge belt filter press and all necessary piping, valves, chemical feed equipment, pumps, controls and appurtenances at the existing Clarksburg Water Board water treatment plant. Major equipment will consist of six (6) sludge clarifier basin mixers, one (1) 200 G.P.M. filtrate pump, two (2) 1,200 G.P.M. sludge transfer pumps, a polymer feed system, one (1) sludge belt press, one (1) sludge belt conveyor and one (1) sludge screw conveyor.

The Environmental Engineering Division of the Philippi District Office (304) 457-2296, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:sec

pc: Gannett Fleming, Inc.
James W. Ellars, P.E., Engineering Division-PSC
Amy Swann, PSC
Harrison County Health Department
OEHS-EED Philippi District Office

MEMORANDUM

To: **Financing Team**

From: **Vincent A. Collins, Esquire**

Date: **September 28, 2004**

Re: **Closing Memo - City of Clarksburg Water Revenue Bonds, Series 2004 A (West Virginia Water Development Authority)**

---

1. DISBURSEMENTS TO CITY OF CLARKSBURG:

Payor:	West Virginia Water Development Authority
Amount:	$1,734,384
Form:	Wire Transfer
Payee:	City of Clarksburg
Bank:	WesBanco Bank, Inc.
Routing #:	051500562
Account #:	2763358884
Contact:	Thomas C. Davisson (304) 623-4392
Account:	Series 2004 A Bonds Construction Trust Fund

2. DISBURSEMENTS BY WATER DEVELOPMENT AUTHORITY ON BEHALF OF CITY OF CLARKSBURG

Source:	Series 2004 A Bonds Proceeds (West Virginia Water Development Authority)
Amount:	$151,380
Payee:	West Virginia Municipal Bond Commission
Bank:	Branch Banking & Trust Company, Charleston, West Virginia
Routing #:	051503394
Account #:	5270517317
Contact:	West Virginia State Treasurer for West Virginia Municipal Bond Commission
Memo:	Series 2004 A Bonds Reserve Account

09/22/04
155510/00019

State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date September 28, 2004 Time 11:00 a.m. LGA City of Clarksburg Program WDA

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Sammie Gee	Jackson Kelly PLLC	340.1318	340.1080	sgee@jacksonkelly.com
Doug Old	WVWDA	558-3612	558-0299	dold@wvwda.org
BERNIE YONKOSKY	WV WDA	558-3612	558-0299	dyonkosky@wvwda.org
Barbara B Meadows	Water Development Authority	558.3612	558.0299	bmeadows@wvwda.org
Franki Parsons	Jackson Kelly PLLC	340-1283	340-1093	fparsons@jacksonkelly.com
John C. Stump	Steptoe & Johnson PLLC	353.8196	353.8181	stumpjc@steptoe-johnson.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Dan Adkins Telephone 304.623.3711 E-Mail —
Address 222 West Main Street, Clarksburg West Virginia 26301

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

ACORD EVIDENCE OF PROPERTY INSURANCE

OP ID VS | DATE (MM/DD/YY) 09/16/04

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER — PHONE/FAX (A/C, No, Ext): 304-624-5584 304-622-4736

Dyer Insurance Agency
347 Washington Avenue
PO Box 607
Clarksburg WV 26302-0607
Dyer Insurance Agency

CODE: 4705021 | SUB CODE:

AGENCY CUSTOMER ID #: CLARK-5

COMPANY

Westfield Group
One Park Circle
P.O. Box 5001
Westfield Center OH 44251-5001

INSURED

Clarksburg Water Board
1001 S. Chestnut Street
Clarksburg WV 26301

LOAN NUMBER:

POLICY NUMBER: CSP3960952

EFFECTIVE DATE: 07/01/04 | EXPIRATION DATE: 07/01/05 | CONTINUED UNTIL TERMINATED IF CHECKED ☐

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

001 Location: 001 Building: 001
Public Water Company
1101 S. Chestnut Street
Clarksburg WV 26301

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Premise 001 Building 001		
BUILDING	13888000	2500
BUS PER PROP	5646599	2500
BUS INCOME	375000	
COAL MINE SUB	75000	
Premise 001 Building 002		
BUILDING	117000	2500
BUS PER PROP	14545	2500
COAL MINE SUB	75000	
Premise 001 Building 003		
BUILDING	845000	2500
BUS PER PROP	583259	2500
COAL MINE SUB	75000	

REMARKS (Including Special Conditions)

Premise 004 Building 001
BUILDING 198500
500 BUS PERS PROP 100508
2500 COAL MINE SUB 75000

Premise 001 Building 005
BUILDING 1235
0 2500 BUS PER PROP 9
792 2500 COAL MINE SUB
75000

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS

Clarksburg Water Board

1001 S. Chestnut Street
Clarksburg WV 26301

☐ MORTGAGEE ☐ ADDITIONAL INSURED
☐ LOSS PAYEE

LOAN #

AUTHORIZED REPRESENTATIVE

Dyer Insurance Agency

© ACORD CORPORATION 1993

ACORD™

EVIDENCE OF PROPERTY INSURANCE
PROPERTY SCHEDULE

OP ID VS | DATE (MM/DD/YY) 09/16/04

Clarksburg Water Board CLARK-5 PAGE 2

PROPERTY INFORMATION

LOCATION/DESCRIPTION 002 Location: 1 Building: 2

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 003 Location: 1 Building: 3

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 004 Location: 4 Building: 1

Public Water Company

Northside Addition
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 005 Location: 1 Building: 5

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 006 Location: 1 Building: 6

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 007 Location: 1 Building: 7

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 008 Location: 1 Building: 8

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 009 Location: 1 Building: 9

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

ATTACH TO EVIDENCE OF PROPERTY APPLICATION

ACORD

EVIDENCE OF PROPERTY INSURANCE

PROPERTY SCHEDULE

OP ID VS | DATE (MM/DD/YY) 09/16/04

Clarksburg Water Board CLARK-5 PAGE 3

PROPERTY INFORMATION

LOCATION/DESCRIPTION 010 Location: 1 Building: 10

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 011 Location: 1 Building: 11

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 012 Location: 1 Building: 12

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 013 Location: 1 Building: 13

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 014 Location: 1 Building: 14

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 015 Location: 1 Building: 15

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 016 Location: 1 Building: 16

Public Water Company

1101 S. Chestnut Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 017 Location: 2 Building: 1

Public Water Company

Adamston Addition
Clarksburg WV 26301

ATTACH TO EVIDENCE OF PROPERTY APPLICATION

ACORD

EVIDENCE OF PROPERTY INSURANCE
PROPERTY SCHEDULE

OP ID VS | DATE (MM/DD/YY) 09/16/04

Clarksburg Water Board CLARK-5 PAGE 4

PROPERTY INFORMATION

LOCATION/DESCRIPTION 018 Location: 3 Building: 1

Public Water Company

Broad Oaks Addition
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 019 Location: 4 Building: 1

Public Water Company

Northside Addition
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 020 Location: 5 Building: 1

Public Water Company

Despard Hill FBI Site
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 021 Location: 6 Building: 1

Public Water Company

Clarksburg Country Club
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION 022 Location: 7 Building: 1

Public Water Company

2nd Street
Clarksburg WV 26301

PROPERTY INFORMATION

LOCATION/DESCRIPTION

PROPERTY INFORMATION

LOCATION/DESCRIPTION

PROPERTY INFORMATION

LOCATION/DESCRIPTION

ATTACH TO EVIDENCE OF PROPERTY APPLICATION

DECLARATIONS
UMBRELLA LIABILITY

POLICY NO 2954369

Expiring Policy No. 2954330

LEXINGTON INSURANCE COMPANY

ADMINISTRATIVE OFFICES
100 Summer Street
Boston, Massachusetts 02110-2103
(hereinafter called the Company)

.M 1.
me of
ured

CLARKSBURG WATER BOARD
1001 S. CHESTNUT STREET

dress
treet, Town
ate

CLARKSBURG WV 26301

No Flat Cancellation

This Declaration Page, with policy provisions and endorsements, if any, issued to form a part thereof, completes the above numbered Umbrella Liability Policy.

EM 2.
OLICY
ERIOD

From: 07/01/04 To: 07/01/05

(12:01 A.M. Standard Time at the address of the insured stated above)

EM 3.
IMIT
OF
IABILITY

The limit of the Company's liability shall be as stated herein subject to all the terms of this policy having reference thereto

(A) $4,000,000 Single Limit any one occurrence Personal Injury or Property Damage or Advertising Liability or any combination thereof

in excess of

(1) the amount covered, whether or not collectible, under the underlying insurance as set out in the attached Schedule, or

a Self Insured Retention of

(2) $10,000 ultimate net loss in respect of each occurrence not covered by said underlying insurance.

(B) $4,000,000 In the aggregate for the policy period in accordance with Insuring Agreement III

TEM 4.
REMIUM
IMPUTATION

Rating Basis	Estimated Exposure	Rate	Annual Minimum Premium
FLAT	FLAT	FLAT	$27,000

Deposit Premium	Minimum Earned Premium At Inception	Audit Period
$27,000	$9,450	NOT AUDITABLE

ate of Issue 07/22/04

Authorized Representative OR
Countersignature (In states where applicable)

LEXINGTON INSURANCE COMPANY

Administrative Offices: 100 Summer Street, Boston, Massachusetts 02110-2103
(hereinafter called the Company)

COMMERCIAL GENERAL LIABILITY POLICY
OCCURRENCE FORM

No Flat Cancellation

Declarations

Policy Number: 2916558 Renewal of: 2916455

Item 1. Named Insured and Address:

CLARKSBURG WATER BOARD

1001 S. CHESTNUT STREET

CLARKSBURG WV 26301

The Named Insured is:

☐ Individual ☐ Partnership ☐ Joint Venture

☒ Organization (other than a Partnership or Joint Venture)

The Business of the Named Insured is: PUBLIC WATER COMPANY

Item 2. Policy Period: From 07/01/04 To: 07/01/05
12:01 A.M., standard time at the address of the Named Insured as stated herein.

Item 3 Limits of Insurance:

Each Occurrence Limit	$ 1,000,000	
Damage to Premises Rented to you Limit	$ 50,000	- Any one premises
Personal & Advertising Injury Limit	$ 1,000,000	- Any one person or organization
General Aggregate Limit	$ 2,000,000	
Products-Completed Operations Aggregate Limit	$ 2,000,000	

Item 4. Premium:

A. Total Advance Premium:	$ 43,000
B. Annual Minimum Premium:	$ 43,000
C. Minimum Earned Premium at Inception:	$ 15,050

Item 5. Audit Period: ANNUAL

The policy is comprised of this Declarations page, the policy form and the schedules and endorsements, if any, attached at inception or during the Policy Period.

Authorized Representative OR
Countersignature (in states where applicable)