THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and Series 2003 B (West Virginia Water Development Authority)

Closing Date: March 4, 2003

BOND TRANSCRIPT

STEPTOE & JOHNSON PLLC

Vincent A. Collins, Esquire
3rd and Main Street
Bank One Center, Sixth Floor
Clarksburg, WV 26302
(304)624-8161
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

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Ordinance
2. Supplemental Resolution
3. IC Loan Agreement
4. WDA Loan Agreement
5. Public Service Commission Order
6. Infrastructure Council Approval
7. Cross-Receipt for Bonds and Bond Proceeds
8. Direction to Authenticate and Deliver Bonds
9. Specimen Series 2003 A Bond
10. Specimen Series 2003 B Bond

OPINIONS OF COUNSEL

11. (A) Approving Opinion on Series 2003 A Bond of Steptoe & Johnson, PLLC, Bond Counsel
    (B) Approving Opinion on Series 2003 B Bond of Steptoe & Johnson, PLLC, Bond Counsel

12. Opinion of Counsel to Issuer

13. Opinion of PSC Counsel to Issuer

14. Opinion of Counsel to Parkersburg Utility Board

15. Title Opinion

CERTIFICATES

16. General Certificate of Issuer and Attorney

17. Certificate as to Arbitrage

18. [RESERVED]

19. Certificate of Engineer, with Schedule B Attached

20. Certificate of Certified Public Accountant

DOCUMENTS OF THE ISSUER

21. City Charter, with Amendments

22. Oaths of Office of Officers and Councilmembers

23. Ordinance Creating Parkersburg Utility Board

24. Sewer and Water Rate Ordinance

25. Minutes on Adoption and Enactment of Sewer and Water Rate Ordinance

26. Affidavit of Publication on Sewer and Water Rate Ordinance

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

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

29. IRS Information Return (Form 8038-G) and Letter of Transmittal

30. Municipal Bond Commission New Issue Reports

MISCELLANEOUS DOCUMENTS

31. Acceptance of Appointment as Depository Bank

32. Acceptance of Duties as Registrar

33. Certificate of Registration of Bonds

34. Registrar's Agreement

35. Environmental Health Services Permit

36. 1996 Bond and Supplemental Resolutions

37. Evidence of Insurance

38. Closing Memorandum

THE CITY OF PARKERSBURG

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND),

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

Table of Contents

Subject **Page**

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance	2
Section 1.02	Findings	2
Section 1.03	Bond Legislation Constitutes Contract	5
Section 1.04	Definitions	5

ARTICLE II
AUTHORIZATION OF THE DESIGN, ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01	Authorization of the Design, Acquisition and Construction of the Project	15

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

Section 3.01	Authorization of Bonds	16
Section 3.02	Terms of Bonds	16
Section 3.03	Execution of Bonds	17
Section 3.04	Authentication and Registration	17
Section 3.05	Negotiability, Transfer and Registration	17
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	18
Section 3.07	Bonds not to be Indebtedness of the Issuer	18
Section 3.08	Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds	19
Section 3.09	Delivery of Bonds	19
Section 3.10	Form of Bonds	19
	FORM OF SERIES 2003 A BOND	20
	FORM OF SERIES 2003 B BOND	29
	FORM OF SERIES 2003 C BOND	37
Section 3.11	Sale of Bonds; Approval and Ratification of Execution Loan Agreements	46
Section 3.12	Filing of Amended Schedule	46

ARTICLE IV
[RESERVED] 47

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	48
Section 5.02	Establishment of Funds and Accounts with Commission	48
Section 5.03	System Revenues; Flow of Funds	49

ARTICLE VI
APPLICATION OF BOND PROCEEDS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	55
Section 6.02	Disbursements of Bond Proceeds	56

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	59
Section 7.02	Bonds not to be Indebtedness of the Issuer	59
Section 7.03	Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds	59
Section 7.04	Rates and Charges	59
Section 7.05	Sale of the System	60
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	61
Section 7.07	Parity Bonds	61
Section 7.08	Books; Records and Audit	64
Section 7.09	Rates	65
Section 7.10	Operating Budget and Monthly Financial Report	66
Section 7.11	Engineering Services and Operating Personnel	67
Section 7.12	No Competing Franchise	67
Section 7.13	Enforcement of Collections	67
Section 7.14	No Free Services	68
Section 7.15	Insurance and Construction Bonds	68
Section 7.16	Mandatory Connections	70
Section 7.17	Completion of Project; Permits and Orders	70
Section 7.18	Compliance with Loan Agreements and Law	70
Section 7.19	Tax Covenants	71
Section 7.20	Securities Law Compliance	72
Section 7.21	Contracts; Public Releases	72
Section 7.22	Statutory Mortgage Lien	72

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments	73
Section 8.02	Arbitrage and Tax Exemption	73
Section 8.03	Tax Certificate and Rebate	74

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	76
Section 9.02	Remedies	76
Section 9.03	Appointment of Receiver	76

ARTICLE X
PAYMENT AND DEFEASANCE OF BONDS

Section 10.01	Payment of Series 2003 A Bonds	78
Section 10.02	Defeasance of Series 2003 B Bonds and Series 2003 C Bonds	78

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	80
Section 11.02	Bond Legislation Constitutes Contract	80
Section 11.03	Severability of Invalid Provisions	80
Section 11.04	Headings, Etc.	80
Section 11.05	Conflicting Provisions Repealed; Prior Ordinance	80
Section 11.06	Covenant of Due Procedure, Etc.	81
Section 11.07	Effective Date	81
Section 11.08	Statutory Notice and Public Hearing	81
	SIGNATURES	81
	CERTIFICATION	82
	EXHIBIT A	83

THE CITY OF PARKERSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $3,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,750,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (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 LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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 20, Chapter 22C, Article 1 and Chapter 31, Article 15A 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 Parkersburg (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State.

B. The Issuer presently owns and operates, through the Parkersburg Utility Board (the "Board"), a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be (i) acquired and constructed certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of replacing the laterals in Wells Nos. 4 and 5, replacing certain water mains and valves, making improvements in certain service areas, including Blizzard Drive, Division Street, Core Road, Rosemar Road, College Parkway, Marrtown, Fort Boreman Hill, Pettyville and Willowbrook and constructing three water storage tanks, together with all appurtenant facilities, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer; and (ii) designed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of, but not limited to, the upgrade and expansion of the capacity of the Issuer's wastewater treatment plant, together with all appurtenant facilities (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System").

C. The Issuer intends to permanently finance the costs of design, 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 Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council") and the Authority's loan program, pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in the total aggregate principal amount of not more than $9,000,000 in three series (collectively, the "Series 2003 Bonds"), being (i) the

Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $4,000,000 (the "Series 2003 A Bonds"); (ii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), in the aggregate principal amount of not more than $3,250,000 (the "Series 2003 B Bonds"), to permanently finance the costs of acquisition and construction of the Project, as described in Section 1.02B(i) hereof; and (iii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), in the aggregate principal amount of not more than $1,750,000 (the "Series 2003 C Bonds"), to permanently finance the costs of design of the Project, as described in Section 1.02B(ii) hereof. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2003 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2003 Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2003 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2003 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2003 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 Council, and its Series 2003 B Bonds and Series 2003 C Bonds be sold to the Authority pursuant to the terms and provisions of loan agreements by and between the Issuer and the Authority, all in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2003 Bonds as to liens, pledge, source of and security for payment, being the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, dated May 1, 1996, issued in the original aggregate principal amount of

$31,250,000 (the "Prior Bonds"). The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System.

The Series 2003 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. Prior to the issuance of the Series 2003 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.

There are also outstanding the Issuer's (i) Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 A, dated June 28, 2001, issued in the original aggregate principal amount of $524,502.57 (the "Series 2001 A Notes"); (ii) the Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 B, dated June 28, 2001, issued in the original aggregate principal amount of $124,155.70 (the "Series 2001 B Notes"); (iii) the Combined Waterworks and Sewerage System Subordinate Note, Series 2002 A, dated January 24, 2002, issued in the original aggregate principal amount of $875,000 (the "Series 2002 A Notes"); and (iv) vehicular municipal lease-purchase agreement, dated January 25, 2000, in the amount of $17,091 (the "Vehicle Lease"), all of which are payable from Surplus Revenues. The Series 2001 A Notes, Series 2001 B Notes, Series 2002 A Notes and the Vehicle Lease are collectively referred to as the "Prior Notes." Except for the Prior Bonds and the Prior Notes, the Issuer has no other bonds, notes or other obligations secured by or payable from 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 Issuer's Prior Bonds, the Series 2003 Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law, the Loan Agreements (hereinafter defined) relating to authorization of the acquisition, construction, design and operation of the Project and the System and issuance of the Series 2003 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2003 Bonds or such final order will not be subject to appeal.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2003 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2003 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20, Chapter 22C, Article 1 and Chapter 31, Article 15A 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 2003 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" means the Parkersburg Utility Board of the Issuer.

"Bond Construction Trust Funds" means the respective Bond Construction Trust Funds established by Section 5.01 hereof.

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

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

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

"Bonds" means, collectively, the Series 2003 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2003 Bonds for all or a portion of the proceeds of the Series 2003 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 Burgess & Niple, Limited, Parkersburg, 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 1.02(D) hereof to be a part of the costs of design, acquisition and construction of the Project as described in Section 1.02B hereof.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

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

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinance and continued hereby.

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

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

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

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" include any gains 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, purchased pursuant to Article 8.01 hereof) 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 Parkersburg, a municipal corporation and political subdivision of the State of West Virginia, in Wood County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body and the Board of the Issuer.

"Loan Agreement" or "Loan Agreements" means individually or collectively, the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2003 A Bonds from the Issuer by the Authority and the Loan Agreements heretofore entered, or to be entered into, by and between the Issuer and the Authority, providing for the purchase of the Series 2003 B Bonds and the Series 2003 C Bonds from the Issuer by the Authority, the forms 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 2003 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2003 A Bonds Reserve Account, the Series 2003 B Bonds Reserve Account and the Series 2003 C 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 2003 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, 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, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Prior Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, dated May 1, 1996, issued in the original principal amount of $31,250,000.

"Prior Notes" means, collectively, the Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 A, dated June 28, 2001, of the Issuer, in the original principal amount of $524,502.57, the Combined Waterworks and Sewerage System

Subordinate Notes, Series 2001 B, dated June 28, 2001, of the Issuer, in the original principal amount of $124,155.70, the Combined Waterworks and Sewerage System Subordinate Notes, Series 2002 A, dated January 24, 2002, of the Issuer, in the original principal amount of $875,000, and the Vehicle Lease, as herein defined.

"Prior Ordinance" means the ordinance of the Issuer, as supplemented by the supplemental resolution of the Issuer, authorizing 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, all as determined by the Code.

"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 the following:

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the

extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2003 Bonds.

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

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

"Series 2001 A Notes" means the Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 A, as more fully described in Series 1.02(G).

"Series 2001 B Notes" means the Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 B, as more fully described in Series 1.02(G).

"Series 2002 A Notes" means the Combined Waterworks and Sewerage System Subordinate Notes, Series 2002 A, as more fully described in Series 1.02(G).

"Series 2003 Bonds" means, collectively, the Series 2003 A Bonds, the Series 2003 B Bonds and the Series 2003 C Bonds.

"Series 2003 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2003 A Bonds Construction Trust Fund" means the Series 2003 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2003 A Bonds Reserve Account" means the Series 2003 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2003 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 2003 A Bonds in the then current or any succeeding year.

"Series 2003 A Bonds Sinking Fund" means the Series 2003 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2003 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 2003 B Bonds Construction Trust Fund" means the Series 2003 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2003 B Bonds Reserve Account" means the Series 2003 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2003 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2003 B Bonds in the then current or any succeeding year.

"Series 2003 B Bonds Sinking Fund" means the Series 2003 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2003 C Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 2003 C Bonds Proceeds Fund" means the Series 2003 C Bonds Proceeds Fund created by Section 5.01 hereof.

"Series 2003 C Bonds Reserve Account" means the Series 2003 C Bonds Reserve Account established by Section 5.02 hereof.

"Series 2003 C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2003 C Bonds in the then current or any succeeding year.

"Series 2003 C Bonds Sinking Fund" means the Series 2003 C Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2003 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 2003 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2003 Bonds, and not so included may be included in another Supplemental Resolution.

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

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

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of adoption 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 words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF THE DESIGN, ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of the Design, Acquisition and Construction of the Project. A. There is hereby authorized and ordered the acquisition and construction of the Project as described in Section 1.02B(i) hereof, at an estimated cost of $7,250,000, which will be paid from proceeds of the Series 2003 A Bonds and the Series 2003 B Bonds, 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 2003 A Bonds and the Series 2003 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Council and the Authority.

B. There is hereby authorized and ordered the design of the Project as described in Section 1.02B(ii) hereof, at an estimated cost of $1,750,000, which will be paid from proceeds of the Series 2003 C Bonds. The Issuer is hereby authorized and directed to approve the contract with the Consulting Engineer for the design of the Project in an amount and otherwise compatible with the financing plan submitted to the Authority.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2003 Bonds, funding the respective reserve accounts for the Series 2003 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2003 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2003 Bonds of the Issuer. The Series 2003 Bonds shall be issued in three series, each as a single bond, designated respectively as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund)", in the principal amount of not more than $4,000,000, "Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority)," in the principal amount of not more than $3,250,000, and "Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority)," in the principal amount of not more than $1,750,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2003 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2003 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable 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 Agreements. The Series 2003 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 2003 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2003 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2003 Bonds shall be exchangeable at the option and

expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2003 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2003 Bonds shall cease to be such officer of the Issuer before the Series 2003 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 2003 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 2003 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2003 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2003 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 2003 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2003 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2003 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2003 Bonds are exercised, all Series 2003 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2003 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2003 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2003 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2003 Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2003 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2003 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 2003 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2003 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2003 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with each other and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Prior Notes are junior and subordinate to the Prior Bonds and the Series 2003 Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2003 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2003 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 2003 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 2003 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 opinions of bond counsel on the Series 2003 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2003 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2003 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B. The interest shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of 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 the West Virginia Infrastructure and Jobs Development Council (the "Council), 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 Council, dated _____, 2003.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); [(ii) to fund a reserve account for the Bonds of this Series (the "Bonds");] and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2003, and a Supplemental Resolution duly adopted by the Issuer on _____, 2003 (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 (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996, DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $31,250,000 (THE "PRIOR BONDS"), (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,250,000 (THE "SERIES 2003 B BONDS"), AND (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,750,000 (THE "SERIES 2003 C BONDS"). THE SERIES 2003 B BONDS AND SERIES 2003 C BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "SERIES 2003 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 the Series 2003 Bonds, and from monies in the Reserve Account created under the Bond Legislation for

the Bonds (the "Series 2003 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 monies in the Series 2003 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% thereof; provided however, that, when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2003 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, including the Series 2003 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2003.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 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: _____, 2003.

HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

(Form of)

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:

_____

(FORM OF SERIES 2003 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2003 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. BR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation and political subdivision of the State of West Virginia in Wood 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, beginning _____ 1, 20___, 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 therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, beginning _____ 1, ____, as set forth on Exhibit A 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 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 between the Issuer and the Authority, dated _____, 2003.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); [(ii) to fund a reserve account for the Bonds of this Series (the "Bonds");] and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2003, and a Supplemental Resolution duly adopted by the Issuer on _____, 2003 (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 (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996, DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $31,250,000 (THE "PRIOR BONDS"), (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), AND (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,750,000 (THE "SERIES 2003 C BONDS"). THE SERIES 2003 A BONDS AND SERIES 2003 C BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "SERIES 2003 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 the Series 2003 Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 B 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 monies in the Series 2003 B 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% thereof; provided however, that, when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2003 B 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, including the Series 2003 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2003.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2003.

HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

(Form of)

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:

_____

(FORM OF SERIES 2003 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2003 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. CR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder, and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, ____ [as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.] The interest on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, initially at the rate of _____% per annum, and commencing _____ 1, _____, at the rate of _____% per annum.

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 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 between the Issuer and the Authority, dated _____, 2003.

This Bond is issued (i) to pay a portion of the costs of design of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); [(ii) to fund a reserve account for the Bonds of this Series (the "Bonds");] and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2003, and a Supplemental Resolution duly adopted by the Issuer on _____, 2003 (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 (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996, DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $31,250,000 (THE "PRIOR BONDS"), (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), AND (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,250,000 (THE "SERIES 2003 B BONDS"). THE SERIES 2003 A BONDS AND SERIES 2003 B BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "SERIES 2003 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 the Series 2003 Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 C 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 monies in the Series 2003 C 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% thereof; provided however, that, when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2003 C 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, including the Series 2003 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2003.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 C 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: _____, 2003.

HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

(Form of)

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 Agreements. The Series 2003 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the respective Loan Agreements. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the respective Loan Agreements in the forms attached hereto as "EXHIBIT A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreements, including all schedules and exhibits attached thereto, are hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the design, acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for each series of the Series 2003 Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Series 2003 A Bonds Construction Trust Fund;

(4) Series 2003 B Bonds Construction Trust Fund;

(5) Series 2003 C Bonds Proceeds Fund; and

(6) Rebate Fund.

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

(1) Series 1996 Bonds Sinking Fund (established by the Prior Ordinance);

(2) Series 1996 Bonds Reserve Account (established by the Prior Ordinance);

(3) Series 2003 A Bonds Sinking Fund;

(4) Series 2003 A Bonds Reserve Account;

(5) Series 2003 B Bonds Sinking Fund;

(6) Series 2003 B Bonds Reserve Account;

(7) Series 2003 C Bonds Sinking Fund; and

(8) Series 2003 C Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinance and in this Bond Legislation. All monies 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 Prior Bonds Sinking Fund, the amount required by the Prior Ordinance to pay the interest on the Prior Bonds; (ii) commencing 3 months prior to the first date of payment of interest on the Series 2003 A Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2003 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2003 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 2003 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; (iii) commencing 7 months prior to the first date of payment of interest on the Series 2003 B Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2003 B Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2003 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 B 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; and (iv) commencing 3 months prior to the first date of payment of interest on the Series 2003 C Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2003 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount

of interest which will become due on the Series 2003 C 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 2003 C 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 Prior Bonds Sinking Fund, the amount required by the Prior Ordinance to pay the principal of the Prior Bonds; (ii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2003 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iii) commencing 13 months prior to the first date of payment of principal of the Series 2003 B Bonds, for deposit in the Series 2003 B Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 2003 B Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 B Bonds 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; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2003 C Bonds, for deposit in the Series 2003 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2003 C Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Prior Bonds Reserve Account, the amount required by the Prior Ordinance to be deposited therein; (ii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, if not fully funded upon issuance of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 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 2003 A Bonds Reserve Requirement; (iii) commencing 13 months prior to the first date of payment of principal of the Series 2003 B Bonds, if not fully funded upon issuance of the Series 2003 B Bonds, for deposit in the Series 2003 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2003 B Bonds Reserve Requirement; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2003 C Bonds, if not fully funded upon issuance of the Series 2003 C Bonds, for deposit in the Series 2003 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 C 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 2003 C Bonds Reserve Requirement.

(4) The Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Depreciation Fund, a sum equal to 5% of the Gross Revenues each month so long as the Prior Bonds are outstanding, and thereafter, 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Depreciation Fund shall be kept apart from all other funds of the 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 account have not, as of the date of determination of a

deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Depreciation Fund.

(6) The Issuer shall next, each month, after making the above-required transfers of monies from the Revenue Fund, apply any remaining monies in the Revenue Fund to the payment of debt service on the Prior Notes or any subordinate bonds, notes or obligations of the System.

Monies in the Series 2003 A Bonds Sinking Fund, Series 2003 B Bonds Sinking Fund and Series 2003 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2003 Bonds, respectively, as the same shall become due. Monies in the Series 2003 A Bonds Reserve Account, the Series 2003 B Bonds Reserve Account and the Series 2003 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2003 Bonds, respectively, as the same shall come due, when other monies in the Series 2003 A Bonds Sinking Fund, the Series 2003 B Bonds Sinking Fund and the Series 2003 C Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2003 A Bonds Sinking Fund, the Series 2003 A Bonds Reserve Account, the Series 2003 B Bonds Sinking Fund, the Series 2003 B Bonds Reserve Account, the Series 2003 C Bonds Sinking Fund and the Series 2003 C Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during design and construction of the Project, as applicable, be deposited in the respective Bond Construction Trust Funds or Proceeds Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2003 Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2003 A Bonds Reserve Account, the Series 2003 B Bonds Reserve Account and the Series 2003 C Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2003 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2003 A Bonds Sinking Fund, the Series 2003 A Bonds Reserve Account, the Series

2003 B Bonds Sinking Fund, the Series 2003 B Bonds Reserve Account, the Series 2003 C Bonds Sinking Fund or the Series 2003 C Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2003 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds and the Series 2003 C 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 2003 A Bonds Sinking Fund, the Series 2003 A Bonds Reserve Account, the Series 2003 B Bonds Sinking Fund, the Series 2003 B Bonds Reserve Account, the Series 2003 C Bonds Sinking Fund and the Series 2003 C Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2003 A Bonds Sinking Fund, the Series 2003 A Bonds Reserve Account, the Series 2003 B Bonds Sinking Fund, the Series 2003 B Bonds Reserve Account, the Series 2003 C Bonds Sinking Fund and the Series 2003 C Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2003 A Bonds Sinking Fund, the Series 2003 A Bonds Reserve Account, the Series 2003 B Bonds Sinking Fund, the Series 2003 B Bonds Reserve Account, the Series 2003 C Bonds Sinking Fund and the Series 2003 C Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2003 Bonds, respectively, under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2003 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.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the 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 monies in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the 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

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2003 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2003 A Bonds, there shall first be deposited with the Commission in the Series 2003 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 2003 A Bonds for the period commencing on the date of issuance of the Series 2003 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 2003 A Bonds, there shall be deposited with the Commission in the Series 2003 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2003 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2003 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2000 B Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2003 A Bonds.

D. From the proceeds of the Series 2003 B Bonds, there shall first be deposited with the Commission in the Series 2003 B 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 2003 B Bonds for the period commencing on the date of issuance of the Series 2003 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

E. Next, from the proceeds of the Series 2003 B Bonds, there shall be deposited with the Commission in the Series 2003 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2003 B Bonds Reserve Account.

F. The remaining monies derived from the sale of the Series 2003 B Bonds, shall be deposited with the Depository Bank in the Series 2003 B Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in

Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2003 B Bonds.

G. From the proceeds of the Series 2003 C Bonds, there shall first be deposited with the Commission in the Series 2003 C 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 2003 C Bonds for the period commencing on the date of issuance of the Series 2003 C Bonds and ending 6 months after the estimated date of completion of design of the Project.

H. Next, from the proceeds of the Series 2003 C Bonds, there shall be deposited with the Commission in the Series 2003 C Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2003 C Bonds Reserve Account.

I. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2003 C Bonds, such monies shall be deposited with the Depository Bank in the Series 2003 C Bonds Proceeds Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2003 C Bonds.

J. After completion of the design and construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2003 A Bonds shall be expended as directed by the Council and any remaining proceeds of the Series 2003 B Bonds and the Series 2003 C Bonds shall be expended as directed by the Authority.

Section 6.02. Disbursements of Bond Proceeds.

A. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council 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.

Pending such application, monies in the Series 2003 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2003 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

B. Except as provided in Section 6.01 hereof, disbursements from the Series 2003 B Bonds Construction Trust Fund shall be made each month 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 2003 B Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2003 B Bond 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 2003 B 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, monies in the Series 2003 B Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2003 B Bonds within three (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.

C. The Issuer shall each month provide the Authority with a requisition for the costs incurred for design of the Project, together with such documentation as the Authority shall require. Except as provided in Section 6.01 hereof, disbursements from the Series 2003 C Bonds Proceeds Fund shall be made only after submission to, and approval from, the Authority 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.

Pending such application, monies in the Series 2003 C Bonds Proceeds Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2003 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 2003 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 2003 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2003 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2003 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2003 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2003 Bonds issued hereunder shall be secured equally and ratably by a first lien on the Gross Revenues derived from the System, on a parity with each other and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Prior Notes are junior and subordinate to the Prior Bonds and the Series 2003 Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. 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 Issuer enacted September 26, 2000, and the sewer rate ordinance of the Issuer enacted September 26, 2000, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2003 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 Agreements. In the event the schedule of rate and

charges initially established for the System in connection with the Series 2003 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreements, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreements.

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

So long as the Series 2003 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2003 A Bonds Sinking Fund, the Series 2003 B Bonds Sinking Fund and the Series 2003 C Bonds Sinking Fund, respectively, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2003 A Bonds, the Series 2003 B Bonds and the Series 2003 C Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the 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 Governing Body may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other

disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinance and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the source 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 , or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2003 Bonds. All obligations issued by the Issuer after the issuance of the Series 2003 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2003 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2003 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2003 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council 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 additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the

conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

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

So long as the Prior Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that 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) Any additional Parity Bonds theretofore issued; and

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

When the Prior Bonds are no longer outstanding and so long as the Series 2003 Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall 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 additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinance and this Bond Legislation then Outstanding; and

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

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

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

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

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

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

Section 7.08. Books; Records and Audit. The Board shall keep complete and accurate records of the cost of acquiring the Project site and the costs of designing, acquiring, constructing and installing the Project. The Board shall permit the Authority and the Council, 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 Board shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the design, acquisition, construction and installation of the Project; the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

The Board shall file with the Authority and the Council, or any other original purchaser of the Series 2003 Bonds and shall mail in each year to any Holder or Holders of the Series 2003 Bonds, requesting the same, an annual report containing the following:

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

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

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

The 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 thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2003 Bonds and shall submit the report to the Authority and the Council, or any other original purchaser of the Series 2003 Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreements 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 Agreements and the Act, the Issuer or the Board has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Board shall permit the Authority or the Council, 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 Board shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2003 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the

System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are outstanding and thereafter, (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 on the Series 2003 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003 Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2003 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2003 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003 Bonds.

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

Section 7.10. Operating Budget and Monthly Financial Report. The 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 and the Council 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 Board 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 Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to 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 design, acquisition and construction of the Project and for 2 years following the completion of the Project, the Board

shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreements, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Board will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreements, 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 Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council 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 Board shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council 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 Council and the Board 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 Board shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreements.

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

Section 7.13. Enforcement of Collections. The 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 Board 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 of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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 Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, the Board 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 Board hereby covenants and agrees that so long as the Series 2003 Bonds remain Outstanding, 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 greater of the fair appraised value or the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Board, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $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 and the Board 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 OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

B. The 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 Board shall verify such bonds prior to commencement of construction.

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 Council. In the event the Loan Agreement so require, 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. The Board shall verify such insurance prior to commencement of construction.

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

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

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

The Board will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2003 Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreements and Law. The Issuer and the Board shall perform, satisfy and comply with all the terms and conditions of the Loan Agreements and the Act. Notwithstanding anything herein to the contrary, the Issuer and the

Board will provide the Council with copies of all documents submitted to the Authority. The Issuer and the Board also agree to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2003 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 2003 Bonds during the term thereof is, under the terms of the Series 2003 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 2003 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 2003 Bonds during the term thereof is, under the terms of the Series 2003 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 2003 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 2003 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2003 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 2003 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2003 Bonds and

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2003 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2003 Bonds or immediately thereafter, enter into written contracts for the immediate design, acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2003 A Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2003 A Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Resolution, 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 Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2003 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2003 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 2003 Bonds which would cause the Series 2003 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2003 Bonds) so that the interest on the

Series 2003 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2003 Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2003 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 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 interest, 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 2003 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 2003 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 2003 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 2003 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2003 Bonds; or

(2) If default occurs in the Issuer or the Board's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2003 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2003 Bonds, and such default shall have continued for a period of 30 days after the Issuer or Board, as appropriate, shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Bondholder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2003 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services

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

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

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

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

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

ARTICLE X

PAYMENT AND DEFEASANCE OF BONDS

Section 10.01. Payment of Series 2003 A Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2003 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 monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2003 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 2003 A Bonds from gross income for federal income tax purposes.

Section 10.02. Defeasance of Series 2003 B Bonds and Series 2003 C Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all of the Series 2003 B Bonds and Series 2003 C 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 monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2003 B Bonds and Series 2003 C 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 2003 B Bonds and Series 2003 C Bonds from gross income for federal income tax purposes.

Series 2003 B Bonds and Series 2003 C Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 2003 B Bonds and Series 2003 C 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 2003 B Bonds and Series 2003 C 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 monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the 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 2003 B Bonds and Series 2003 C Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor monies 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 2003 B Bonds and Series 2003 C 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 2003 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2003 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 2003 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2003 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2003 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2003 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2003 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2003 Bonds.

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body 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 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Parkersburg News*, and the *Parkersburg Sentinel*, two qualified newspapers published and of general circulation in The City of Parkersburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2003 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: January 28, 2003

Passed on Second Reading: February 11, 2003

Passed on Final Reading Following Public Hearing: February 25, 2003

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of THE CITY OF PARKERSBURG on the 25th day of February, 2003.

Dated: March 4, 2003.

[SEAL]

Connie Shaffer
City Clerk

EXHIBIT A

Loan Agreements included in bond transcript as Documents 3 and 4

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund),

and

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) OF THE CITY OF PARKERSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of The City of Parkersburg (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective February 25, 2003 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF

THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $3,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,750,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (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 LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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 Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), of the Issuer (collectively, the "Series 2003 Bonds" and individually, the "Series 2003 A Bonds," and the "Series 2003 B

Bonds"), in the respective aggregate principal amounts not to exceed $4,000,000 and $3,250,000, and has authorized the execution and delivery of a loan agreement relating to the Series 2003 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and a loan agreement relating to the Series 2003 B Bonds, by and between the Issuer and the Authority (collectively, the "Loan Agreements"), all in accordance with Chapter 8, Article 20, Chapter 22C, Article 1 and Chapter 31, Article 15A 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 Agreements and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2003 Bonds should be established by a supplemental resolution pertaining to the Series 2003 Bonds; and that other matters relating to the Series 2003 Bonds be herein provided for;

WHEREAS, the Loan Agreements have been presented to the Issuer at this meeting;

WHEREAS, the Series 2003 Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreements; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreements be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2003 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2003 Bonds be herein provided for;

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

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 following bonds of the Issuer:

A. The Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $4,000,000. The Series 2003 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2024, and shall bear

interest at the rate of 3% per annum. The principal of and the interest on the Series 2003 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2004, and ending June 1, 2024, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2003 A Bonds and incorporated in and made a part of the Series 2003 A Bonds. The Series 2003 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, 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 2003 A Bonds.

B. The Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $3,250,000. The Series 2003 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2023, shall bear interest at the rate of 5% per annum, payable semiannually on April 1 and October 1 of each year, commencing April 1, 2003. The Series 2003 B Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 2003, and ending October 1, 2023, all as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2003 B Bonds and incorporated in and made a part of the Series 2003 B Bonds. The Series 2003 B 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, as long as the Authority shall be the registered owner of the Series 2003 B Bonds.

Section 2. All other provisions relating to the Series 2003 Bonds and the text of each series of the Series 2003 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreements, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreements by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreements and in the application to the Council and the Authority. The price of the Series 2003 Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2003 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2003 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2003 Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate the People's Bank, Parkersburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2003 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2003 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2003 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2003 A Bonds Reserve Account.

Section 9. Series 2003 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2003 B Bonds Sinking Fund, as capitalized interest.

Section 10. Series 2003 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2003 B Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 2003 A Bonds and the Series 2003 B Bonds shall be deposited in or credited to the respective Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2003 Bonds and related costs.

Section 12. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2003 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2003 Bonds may be delivered on or about March 4, 2003, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2003 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 14. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 15. The Issuer hereby determines to invest all monies 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 monies to be invested in such repurchase agreements or time

accounts until further directed in writing by the Issuer. Monies in the Sinking Funds, including the Reserve Accounts therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

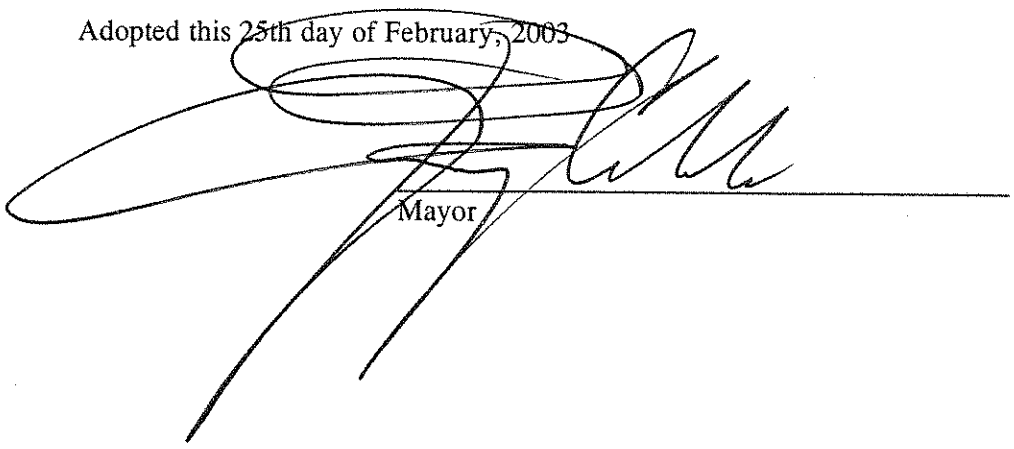
Section 16. The Issuer shall not permit at any time or times any of the proceeds of the Series 2003 Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2003 Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Series 2003 Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 17. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Series 2003 Bonds. The Issuer hereby appoints the City of Parkersburg Utility Board as its agent for the review and approval of all future invoices for the Project to be paid from the proceeds of the Series 2003 Bonds.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Left Blank]

Adopted this 25th day of February, 2003



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Parkersburg on the 25th day of February, 2003.

Dated: March 4, 2003.

[SEAL]

Connie Shaffer
City Clerk

02/14/03
686870.00002

IC-1
(06/06/02)

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"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

THE CITY OF PARKERSBURG
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, 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 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 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 the Act and having available sufficient funds therefor, the Council has authorized the Authority 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 money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (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," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.5 "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.

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

1.7 "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, all in accordance with the provisions of this Loan Agreement.

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

1.9 "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.

1.10 "Project" means the 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.

1.11 "System" means the 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.

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

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority and Council 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 or any interest therein is approved by the Authority and Council.

2.4 The Governmental Agency agrees that the Authority and the Council and their 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 the Council and their 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 and the Council 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 and the Council, acting by and through their directors or their 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 and the Council such documents and information as they 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 the Council and their 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 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 Council and the Authority and shall verify or 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 are 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 Council and 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, the Council 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 Council, 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 and Council.

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, 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 and the Council shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

(d) 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 and the Council shall have received a certificate of the Consulting Engineers to such effect;

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and the Council 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 and the Council, to such effect;

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and the Council 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 of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and the Council 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 and the Council, to such effect;

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council 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 and the Council, to such effect; and

(i) 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 projects and satisfactory to the Authority and the Council, to such effect, such certificate to be in form and substance satisfactory to the Authority and the Council, and evidence satisfactory to the Authority and the Council 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, the Council 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, the Council 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 Council.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund 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.

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 Council:

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

(i) to pay Operating Expenses of the System;

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

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

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

Provided, that if the 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 Schedule X attached hereto and 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 and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or with the written consent of the Council and 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 and the Council; 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 and the Council, 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 and the Council within 30 days of adoption thereof;

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, 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 and the Council, 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 may not redeem any Local Bonds by it without the

written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

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

(xvii) 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;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the 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;

(xix) 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 State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) 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 and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council 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;

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

(xxii) 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;

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council 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; and

(xxv) 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 Council and 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 Council 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 monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted 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 and the Council.

4.3 The principal of the Loan shall be repaid by the Governmental Agency 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 quarterly basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date and 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 expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

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 the 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 the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 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.

6.3 Notwithstanding Section 6.2, 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.

6.4 The Governmental Agency hereby agrees to give the Authority and the Council 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.

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B 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 and the Council.

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

7.4 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.

7.5 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.

7.6 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.

7.7 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.

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

7.9 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.

7.10 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 Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority and the Council pursuant to Section 6.1 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, acting on behalf of the Council.

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.

THE CITY OF PARKERSBURG

(SEAL)

By: _____
Its: Mayor
Date: March 4, 2003

Attest:

Connie Shaffer
Its: City Clerk

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director
Date: March 4, 2003

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

02/19/03
000832/00466

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"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), 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, the Council 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 B attached hereto as Exhibit A and my firm[1] has ascertained that all

[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 _____,

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 B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - 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. _____

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 Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

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"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), 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 and principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning _____, 1, _____, and ending _____, 1, _____, 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 the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

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	$4,000,000
Purchase Price of Local Bonds	$4,000,000

The Local Bonds shall bear no interest from the date of delivery to June 1, 2004. Commencing June 1, 2004, interest on the Local Bonds will accrue at the rate of 3% per annum. Commencing September 1, 2004, interest on and principal of the Local Bonds are payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall submit its payments monthly to the Commission which will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

The Local Bonds are fully registered in the name of the Authority as to interest, if any, 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.

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

1. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, dated May 1, 1996, issued in the original aggregate principal amount of $31,250,000.

2. Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), dated March 4, 2003, issued in the original aggregate principal amount of $3,250,000.

SCHEDULE Y

City of Parkersburg

Infrastructure Fund Loan of $4,000,000
20 Years, 3.0% Interest Rate
Closing Date: March 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2003	-	-	-	-
9/01/2003	-	-	-	-
12/01/2003	-	-	-	-
3/01/2004	-	-	-	-
6/01/2004	-	-	-	-
9/01/2004	36,672.84	3.000%	30,000.00	66,672.84
12/01/2004	36,947.89	3.000%	29,724.95	66,672.84
3/01/2005	37,225.00	3.000%	29,447.84	66,672.84
6/01/2005	37,504.19	3.000%	29,168.66	66,672.85
9/01/2005	37,785.47	3.000%	28,887.38	66,672.85
12/01/2005	38,068.86	3.000%	28,603.98	66,672.84
3/01/2006	38,354.38	3.000%	28,318.47	66,672.85
6/01/2006	38,642.03	3.000%	28,030.81	66,672.84
9/01/2006	38,931.85	3.000%	27,741.00	66,672.85
12/01/2006	39,223.84	3.000%	27,449.01	66,672.85
3/01/2007	39,518.02	3.000%	27,154.83	66,672.85
6/01/2007	39,814.40	3.000%	26,858.44	66,672.84
9/01/2007	40,113.01	3.000%	26,559.83	66,672.84
12/01/2007	40,413.86	3.000%	26,258.99	66,672.85
3/01/2008	40,716.96	3.000%	25,955.88	66,672.84
6/01/2008	41,022.34	3.000%	25,650.51	66,672.85
9/01/2008	41,330.01	3.000%	25,342.84	66,672.85
12/01/2008	41,639.98	3.000%	25,032.86	66,672.84
3/01/2009	41,952.28	3.000%	24,720.56	66,672.84
6/01/2009	42,266.92	3.000%	24,405.92	66,672.84
9/01/2009	42,583.93	3.000%	24,088.92	66,672.85
12/01/2009	42,903.31	3.000%	23,769.54	66,672.85
3/01/2010	43,225.08	3.000%	23,447.76	66,672.84
6/01/2010	43,549.27	3.000%	23,123.58	66,672.85
9/01/2010	43,875.89	3.000%	22,796.96	66,672.85
12/01/2010	44,204.96	3.000%	22,467.89	66,672.85
3/01/2011	44,536.49	3.000%	22,136.35	66,672.84
6/01/2011	44,870.52	3.000%	21,802.33	66,672.85
9/01/2011	45,207.05	3.000%	21,465.80	66,672.85
12/01/2011	45,546.10	3.000%	21,126.75	66,672.85
3/01/2012	45,887.70	3.000%	20,785.15	66,672.85
6/01/2012	46,231.85	3.000%	20,440.99	66,672.84
9/01/2012	46,578.59	3.000%	20,094.25	66,672.84
12/01/2012	46,927.93	3.000%	19,744.91	66,672.84
3/01/2013	47,279.89	3.000%	19,392.95	66,672.84
6/01/2013	47,634.49	3.000%	19,038.35	66,672.84
9/01/2013	47,991.75	3.000%	18,681.10	66,672.85
12/01/2013	48,351.69	3.000%	18,321.16	66,672.85
3/01/2014	48,714.32	3.000%	17,958.52	66,672.84
6/01/2014	49,079.68	3.000%	17,593.16	66,672.84
9/01/2014	49,447.78	3.000%	17,225.07	66,672.85
12/01/2014	49,818.64	3.000%	16,854.21	66,672.85

City of Parkersburg
Infrastructure Fund Loan of $4,000,000
20 Years, 3.0% Interest Rate
Closing Date: March 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
3/01/2015	50,192.28	3.000%	16,480.57	66,672.85
6/01/2015	50,568.72	3.000%	16,104.13	66,672.85
9/01/2015	50,947.99	3.000%	15,724.86	66,672.85
12/01/2015	51,330.09	3.000%	15,342.75	66,672.84
3/01/2016	51,715.07	3.000%	14,957.77	66,672.84
6/01/2016	52,102.93	3.000%	14,569.91	66,672.84
9/01/2016	52,493.71	3.000%	14,179.14	66,672.85
12/01/2016	52,887.41	3.000%	13,785.44	66,672.85
3/01/2017	53,284.06	3.000%	13,388.78	66,672.84
6/01/2017	53,683.69	3.000%	12,989.15	66,672.84
9/01/2017	54,086.32	3.000%	12,586.52	66,672.84
12/01/2017	54,491.97	3.000%	12,180.88	66,672.85
3/01/2018	54,900.66	3.000%	11,772.19	66,672.85
6/01/2018	55,312.41	3.000%	11,360.43	66,672.84
9/01/2018	55,727.26	3.000%	10,945.59	66,672.85
12/01/2018	56,145.21	3.000%	10,527.63	66,672.84
3/01/2019	56,566.30	3.000%	10,106.54	66,672.84
6/01/2019	56,990.55	3.000%	9,682.30	66,672.85
9/01/2019	57,417.98	3.000%	9,254.87	66,672.85
12/01/2019	57,848.61	3.000%	8,824.23	66,672.84
3/01/2020	58,282.48	3.000%	8,390.37	66,672.85
6/01/2020	58,719.60	3.000%	7,953.25	66,672.85
9/01/2020	59,159.99	3.000%	7,512.85	66,672.84
12/01/2020	59,603.69	3.000%	7,069.15	66,672.84
3/01/2021	60,050.72	3.000%	6,622.12	66,672.84
6/01/2021	60,501.10	3.000%	6,171.74	66,672.84
9/01/2021	60,954.86	3.000%	5,717.99	66,672.85
12/01/2021	61,412.02	3.000%	5,260.82	66,672.84
3/01/2022	61,872.61	3.000%	4,800.23	66,672.84
6/01/2022	62,336.65	3.000%	4,336.19	66,672.84
9/01/2022	62,804.18	3.000%	3,868.67	66,672.85
12/01/2022	63,275.21	3.000%	3,397.63	66,672.84
3/01/2023	63,749.78	3.000%	2,923.07	66,672.85
6/01/2023	64,227.90	3.000%	2,444.95	66,672.85
9/01/2023	64,709.61	3.000%	1,963.24	66,672.85
12/01/2023	65,194.93	3.000%	1,477.92	66,672.85
3/01/2024	65,683.89	3.000%	988.95	66,672.84
6/01/2024	66,176.52	3.000%	496.32	66,672.84
Total	**4,000,000.00**	**-**	**1,333,827.60**	**5,333,827.60**

Ferris, Baker Watts
West Virginia Public Finance Office

File = Parkersburg Utility Board Loans.sf-IF 2-18-03
2/18/2003 12:53 PM

SCHEDULE Z

None.

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 PARKERSBURG
(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 PARKERSBURG
[Name of Governmental Agency]

(SEAL)

By: _____
Its: Mayor

Attest:

Date: March 4, 2003

Connie Shafer
Its: City Clerk

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director

Attest:

Date: March 4, 2003

Barbara B Meadows
Its: Secretary-Treasurer

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. _____

[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 $3,250,000
Purchase Price of Local Bonds $3,250,000

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 5.0% 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:

Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, dated May 1, 1996, issued in the original principal amount of $31,250,000 and Combined Waterworks and Sewerage System Revenue Bonds, Series 2003A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original principal amount of $4,000,000.

City of Parkersburg

Water Development Authority Loan of $3,250,000
20 Years, 5.0% Interest Rate
Closing Date: March 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
4/01/2003	-	-	12,187.50	12,187.50
10/01/2003	54,023.00	5.000%	81,250.00	135,273.00
4/01/2004	-	-	79,899.43	79,899.43
10/01/2004	96,655.00	5.000%	79,899.43	176,554.43
4/01/2005	-	-	77,483.05	77,483.05
10/01/2005	101,487.00	5.000%	77,483.05	178,970.05
4/01/2006	-	-	74,945.88	74,945.88
10/01/2006	106,562.00	5.000%	74,945.88	181,507.88
4/01/2007	-	-	72,281.83	72,281.83
10/01/2007	111,890.00	5.000%	72,281.83	184,171.83
4/01/2008	-	-	69,484.58	69,484.58
10/01/2008	117,484.00	5.000%	69,484.58	186,968.58
4/01/2009	-	-	66,547.48	66,547.48
10/01/2009	123,358.00	5.000%	66,547.48	189,905.48
4/01/2010	-	-	63,463.53	63,463.53
10/01/2010	129,526.00	5.000%	63,463.53	192,989.53
4/01/2011	-	-	60,225.38	60,225.38
10/01/2011	136,003.00	5.000%	60,225.38	196,228.38
4/01/2012	-	-	56,825.30	56,825.30
10/01/2012	142,803.00	5.000%	56,825.30	199,628.30
4/01/2013	-	-	53,255.23	53,255.23
10/01/2013	149,943.00	5.000%	53,255.23	203,198.23
4/01/2014	-	-	49,506.65	49,506.65
10/01/2014	157,440.00	5.000%	49,506.65	206,946.65
4/01/2015	-	-	45,570.65	45,570.65
10/01/2015	165,312.00	5.000%	45,570.65	210,882.65
4/01/2016	-	-	41,437.85	41,437.85
10/01/2016	173,578.00	5.000%	41,437.85	215,015.85
4/01/2017	-	-	37,098.40	37,098.40
10/01/2017	182,257.00	5.000%	37,098.40	219,355.40
4/01/2018	-	-	32,541.98	32,541.98
10/01/2018	191,370.00	5.000%	32,541.98	223,911.98
4/01/2019	-	-	27,757.73	27,757.73
10/01/2019	200,938.00	5.000%	27,757.73	228,695.73
4/01/2020	-	-	22,734.28	22,734.28
10/01/2020	210,985.00	5.000%	22,734.28	233,719.28
4/01/2021	-	-	17,459.65	17,459.65
10/01/2021	221,534.00	5.000%	17,459.65	238,993.65
4/01/2022	-	-	11,921.30	11,921.30
10/01/2022	232,611.00	5.000%	11,921.30	244,532.30
4/01/2023	-	-	6,106.03	6,106.03
10/01/2023	244,241.00	5.000%	6,106.03	250,347.03
Total	**3,250,000.00**	**-**	**2,026,529.92**	**5,276,529.92**

YIELD STATISTICS

Bond Year Dollars	$40,530.60
Average Life	12.471 Years
Average Coupon	5.0000003%
Net Interest Cost (NIC)	5.0000003%
True Interest Cost (TIC)	5.0004480%
Bond Yield for Arbitrage Purposes	5.0004480%
All Inclusive Cost (AIC)	5.0004480%

IRS FORM 8038

Net Interest Cost	5.0000003%
Weighted Average Maturity	12.471 Years

SCHEDULE Z

None.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
06-09-02

Entered: May 20, 2002

CASE NO. 01-1693-W-CN

PARKERSBURG UTILITY BOARD
Application for a certificate of convenience and necessity to construct improvements to existing water system.

RECOMMENDED DECISION

On December 21, 2001, the Parkersburg Utility Board (Utility) filed an application for a certificate of convenience and necessity to construct improvements to its water system. The proposed construction will cost approximately $7,500,000. The proposed financing is for a $4,000,000 loan from the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) and a $3,250,000 loan from the West Virginia Water Development Authority (WDA). The Utility alleged that its existing rates were adequate to fund the project.

On December 21, 2001, the Commission ordered the Utility to publish a notice of filing. On January 7, 2002, the Utility filed a publication affidavit indicating proper publication of the notice. No protests were filed pursuant to the notice.

On January 31, 2002, the Commission referred the matter establishing a decision due date of on or before July 19, 2002.

On May 10, 2002, Staff recommended that the certificate be granted without a hearing. Staff recommended that the Utility file a copy of all bids with the Commission as soon as they were tabulated. Staff recommended that, if the bidding came in substantially lower than estimated, the engineering fees be renegotiated. Staff recommended that, if there is any change in the scope of the project or the terms of the project financing, the Utility petition to reopen the case for the Commission to approve the changes.

On May 16, 2002, the Utility filed a letter indicating that it had no objections to any of the Staff recommendations.

FINDINGS OF FACT

1. On December 21, 2001, the Utility filed an application for a certificate of convenience and necessity to construct certain improvements to its water system, including replacing the laterals in Well Nos. 4 and 5, rehabilitating the Old South Reservoir, replacing certain water mains and valves, and making improvements in certain

MKD

15. The project will help facilitate the growth of the Utility's system. (Id.).

CONCLUSIONS OF LAW

1. The Utility's application for a certificate of convenience and necessity should be granted.

2. The Utility should file a copy of its bids with the Commission as soon as they are tabulated.

3. If the Utility's bids are substantially lower than estimated, the Utility should be required to renegotiate its engineering fees.

4. If there is any change in the scope, plans or financing of the project, the Utility should be required to petition the Commission to reopen the case to approve the changes.

5. The Utility's proposed financing should be approved.

ORDER

IT IS, THEREFORE, ORDERED that the Parkersburg Utility Board be, and hereby is, granted a certificate of convenience and necessity to construct the project described in its application filed on December 21, 2001, contingent upon the receipt of a permit from the West Virginia Public Land Corporation.

IT IS FURTHER ORDERED that the funding proposed by the Parkersburg Utility Board of a $4,000,000 loan from the West Virginia Infrastructure and Jobs Development Council, for 20 years at 3% interest, and a second loan of $3,250,000 from the West Virginia Water Development Authority, for 30 years at 5.8% interest, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Parkersburg Utility Board file with the Commission a copy of the bids as soon as they are tabulated.

IT IS FURTHER ORDERED that the Parkersburg Utility Board renegotiate its engineering fees, if the bids come in substantially lower than estimated.

IT IS FURTHER ORDERED that the Parkersburg Utility Board petition the Commission to review any modifications to the plans, scope or financing of the project.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission Staff 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 within fifteen (15) days of the date this order is mailed. If exceptions are filed, the

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
Russell L. Isaacs
Cottageville
Dwight Calhoun
Petersburg
William P. Stafford, II, Esquire
Princeton

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

KMallory@ezwv.com

July 11, 2001

Clarence Cox, Manager
Parkersburg Utility Board
125 19th Street
Parkersburg, West Virginia 26101-2596

Re: Parkersburg Utility Board
Binding Commitment Offer
Water Project 2001W-621

Dear Mr. Cox:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), at its July 11, 2001 meeting, determined that the Parkersburg Utility Board should utilize a $3,250,000 water Development Authority loan and the Infrastructure Council voted offer the Parkersburg Utility Board a Binding Commitment for an Infrastructure Fund loan of $4,000,000 to finance its $7,250,000 project to upgrade the existing water system. The Infrastructure Fund loan assistance is for a term of 20 years with 3% interest.

The Infrastructure Council also determined that in order to receive the proposed Binding Commitment, the Parkersburg Utility Board must adhere to a certain project schedule. Please contact Katy Mallory by **September 1, 2001** to establish the necessary project schedule and finalize the proposed binding commitment.

Sincerely,

James D. Williams

cc: Walt Ivey, BPH
Bernie Yonkosky, WDA
Region V Planning & Development Council
Ron Schultz, Burgess & Niple

RECEIVED
JUL 13 2001

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 4th day of March, 2003, 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 Parkersburg (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 4th day of March, 2003, the Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $4,000,000, numbered AR-1 (the "Series 2003 A Bonds") and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), of the Issuer, in the principal amount of $3,250,000, numbered BR-1 (the "Series 2003 B Bonds"), each issued as a single, fully registered Bond, and each dated March 4, 2003.

2. At the time of such receipt, all the Series 2003 A Bonds and the Series 2003 B Bonds had been executed by the Mayor and the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2003 A Bonds, of $200,000, being a portion of the principal amount of the Series 2003 A Bonds. The balance of the principal amount of the Series 2003 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2003 B Bonds, of $3,250,000, being the entire principal amount of the Series 2003 B 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

THE CITY OF PARKERSBURG

Mayor

02/24/03
686870.00002

CH582369.2

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith on this 4th day of March, 2003.

(1) Bond No. AR-1, constituting the entire original issue of The City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), in the principal amount of $4,000,000 (the "Series 2003 A Bonds") and Bond No. BR-1, constituting the entire original issue of The City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), in the principal amount of $3,250,000 (the "Series 2003 B Bonds") (collectively, the "Series 2003 Bonds"), executed by the Mayor and the City Clerk of The City of Parkersburg (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 February 25, 2003, and a Supplemental Resolution duly adopted by the Issuer on February 25, 2003 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2003 A Bonds, dated March 4, 2003, by and between the Issuer, the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and a loan

agreement for the Series 2003 B Bonds, dated March 4, 2003, by and between the Issuer and the Authority (collectively, the "Loan Agreements"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreements and the Series 2003 Bonds.

You are hereby requested and authorized to deliver the Series 2003 A Bonds to the Authority upon payment to the Issuer of the sum of $200,000, representing a portion of the principal amount of the Series 2003 A Bonds. You are further hereby requested and authorized to deliver the Series 2003 B Bonds to the Authority upon payment to the Issuer of the sum of $3,250,000, representing the agreed aggregate purchase price of the Series 2003 B Bonds, there being no accrued interest thereon. Prior to such delivery of the Series 2003 Bonds, you will please cause the Series 2003 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE CITY OF PARKERSBURG

Mayor

02/24/03
686870.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $4,000,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FOUR MILLION DOLLARS ($4,000,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2004, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B. The interest shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2004, 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 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 the West Virginia Infrastructure and Jobs Development Council (the "Council), 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 Council, dated March 4, 2003.

SPECIMEN

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on February 25, 2003, and a Supplemental Resolution duly adopted by the Issuer on February 25, 2003 (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 (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996, DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $31,250,000 (THE "PRIOR BONDS"), AND (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 4, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,250,000 (THE "SERIES 2003 B 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 the Series 2003 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 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 monies in the Series 2003 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

SPECIMEN

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% thereof; provided however, that, when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2003 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, including the Series 2003 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

SPECIMEN

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated March 4, 2003.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 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: March 4, 2003.

HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 200,725	March 4, 2003	(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

SPECIMEN

City of Parkersburg
Infrastructure Fund Loan of $4,000,000
20 Years, 3.0% Interest Rate
Closing Date: March 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2003	-	-	-	-
9/01/2003	-	-	-	-
12/01/2003	-	-	-	-
3/01/2004	-	-	-	-
6/01/2004	-	-	-	-
9/01/2004	36,672.84	3.000%	30,000.00	66,672.84
12/01/2004	36,947.89	3.000%	29,724.95	66,672.84
3/01/2005	37,225.00	3.000%	29,447.84	66,672.84
6/01/2005	37,504.19	3.000%	29,168.66	66,672.85
9/01/2005	37,785.47	3.000%	28,887.38	66,672.85
12/01/2005	38,068.86	3.000%	28,603.98	66,672.84
3/01/2006	38,354.38	3.000%	28,318.47	66,672.85
6/01/2006	38,642.03	3.000%	28,030.81	66,672.84
9/01/2006	38,931.85	3.000%	27,741.00	66,672.85
12/01/2006	39,223.84	3.000%	27,449.01	66,672.85
3/01/2007	39,518.02	3.000%	27,154.83	66,672.85
6/01/2007	39,814.40	3.000%	26,858.44	66,672.84
9/01/2007	40,113.01	3.000%	26,559.83	66,672.84
12/01/2007	40,413.86	3.000%	26,258.99	66,672.85
3/01/2008	40,716.96	3.000%	25,955.88	66,672.84
6/01/2008	41,022.34	3.000%	25,650.51	66,672.85
9/01/2008	41,330.01	3.000%	25,342.84	66,672.85
12/01/2008	41,639.98	3.000%	25,032.86	66,672.84
3/01/2009	41,952.28	3.000%	24,720.56	66,672.84
6/01/2009	42,266.92	3.000%	24,405.92	66,672.84
9/01/2009	42,583.93	3.000%	24,088.92	66,672.85
12/01/2009	42,903.31	3.000%	23,769.54	66,672.85
3/01/2010	43,225.08	3.000%	23,447.76	66,672.84
6/01/2010	43,549.27	3.000%	23,123.58	66,672.85
9/01/2010	43,875.89	3.000%	22,796.96	66,672.85
12/01/2010	44,204.96	3.000%	22,467.89	66,672.85
3/01/2011	44,536.49	3.000%	22,136.35	66,672.84
6/01/2011	44,870.52	3.000%	21,802.33	66,672.85
9/01/2011	45,207.05	3.000%	21,465.80	66,672.85
12/01/2011	45,546.10	3.000%	21,126.75	66,672.85
3/01/2012	45,887.70	3.000%	20,785.15	66,672.85
6/01/2012	46,231.85	3.000%	20,440.99	66,672.84
9/01/2012	46,578.59	3.000%	20,094.25	66,672.84
12/01/2012	46,927.93	3.000%	19,744.91	66,672.84
3/01/2013	47,279.89	3.000%	19,392.95	66,672.84
6/01/2013	47,634.49	3.000%	19,038.35	66,672.84
9/01/2013	47,991.75	3.000%	18,681.10	66,672.85
12/01/2013	48,351.69	3.000%	18,321.16	66,672.85
3/01/2014	48,714.32	3.000%	17,958.52	66,672.84
6/01/2014	49,079.68	3.000%	17,593.16	66,672.84
9/01/2014	49,447.78	3.000%	17,225.07	66,672.85
12/01/2014	49,818.64	3.000%	16,854.21	66,672.85

CH583047.1

SPECIMEN

City of Parkersburg
Infrastructure Fund Loan of $4,000,000
20 Years, 3.0% Interest Rate
Closing Date: March 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
3/01/2015	50,192.28	3.000%	16,480.57	66,672.85
6/01/2015	50,568.72	3.000%	16,104.13	66,672.85
9/01/2015	50,947.99	3.000%	15,724.86	66,672.85
12/01/2015	51,330.09	3.000%	15,342.75	66,672.84
3/01/2016	51,715.07	3.000%	14,957.77	66,672.84
6/01/2016	52,102.93	3.000%	14,569.91	66,672.84
9/01/2016	52,493.71	3.000%	14,179.14	66,672.85
12/01/2016	52,887.41	3.000%	13,785.44	66,672.85
3/01/2017	53,284.06	3.000%	13,388.78	66,672.84
6/01/2017	53,683.69	3.000%	12,989.15	66,672.84
9/01/2017	54,086.32	3.000%	12,586.52	66,672.84
12/01/2017	54,491.97	3.000%	12,180.88	66,672.85
3/01/2018	54,900.66	3.000%	11,772.19	66,672.85
6/01/2018	55,312.41	3.000%	11,360.43	66,672.84
9/01/2018	55,727.26	3.000%	10,945.59	66,672.85
12/01/2018	56,145.21	3.000%	10,527.63	66,672.84
3/01/2019	56,566.30	3.000%	10,106.54	66,672.84
6/01/2019	56,990.55	3.000%	9,682.30	66,672.85
9/01/2019	57,417.98	3.000%	9,254.87	66,672.85
12/01/2019	57,848.61	3.000%	8,824.23	66,672.84
3/01/2020	58,282.48	3.000%	8,390.37	66,672.85
6/01/2020	58,719.60	3.000%	7,953.25	66,672.85
9/01/2020	59,159.99	3.000%	7,512.85	66,672.84
12/01/2020	59,603.69	3.000%	7,069.15	66,672.84
3/01/2021	60,050.72	3.000%	6,622.12	66,672.84
6/01/2021	60,501.10	3.000%	6,171.74	66,672.84
9/01/2021	60,954.86	3.000%	5,717.99	66,672.85
12/01/2021	61,412.02	3.000%	5,260.82	66,672.84
3/01/2022	61,872.61	3.000%	4,800.23	66,672.84
6/01/2022	62,336.65	3.000%	4,336.19	66,672.84
9/01/2022	62,804.18	3.000%	3,868.67	66,672.85
12/01/2022	63,275.21	3.000%	3,397.63	66,672.84
3/01/2023	63,749.78	3.000%	2,923.07	66,672.85
6/01/2023	64,227.90	3.000%	2,444.95	66,672.85
9/01/2023	64,709.61	3.000%	1,963.24	66,672.85
12/01/2023	65,194.93	3.000%	1,477.92	66,672.85
3/01/2024	65,683.89	3.000%	988.95	66,672.84
6/01/2024	66,176.52	3.000%	496.32	66,672.84
Total	**4,000,000.00**	**-**	**1,333,827.60**	**5,333,827.60**

SPECIMEN

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:

_____

02/25/03
0686870.00002

CH583047.1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2003 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. BR-1 $3,250,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS ($3,250,000), in annual installments on October 1 of each year, beginning October 1, 2003, 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 therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, beginning April 1, 2003, as set forth on Exhibit A 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 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 between the Issuer and the Authority, dated March 4, 2003.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the

SPECIMEN

waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on February 25, 2003, and a Supplemental Resolution duly adopted by the Issuer on February 25, 2003 (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 (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996, DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $31,250,000 (THE "PRIOR BONDS") AND (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A 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 the Series 2003 A Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 B 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 monies in the Series 2003 B 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

SPECIMEN

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% thereof; provided however, that, when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2003 B 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, including the Series 2003 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

SPECIMEN

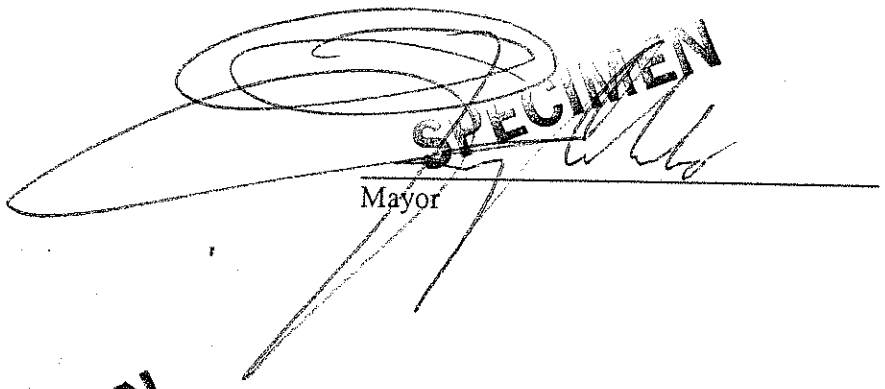
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Left Blank]

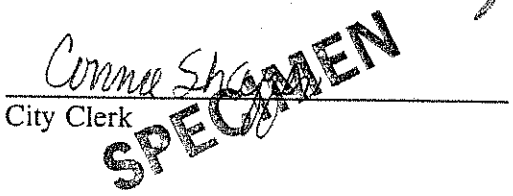
IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated March 4, 2003.

[SEAL]



Mayor

ATTEST:



City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 4, 2003.

HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

SPECIMEN

City of Parkersburg
Water Development Authority Loan of $3,250,000
20 Years, 5.0% Interest Rate
Closing Date: March 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
4/01/2003	-	-	-	-
10/01/2003	54,023.00	5.000%	12,187.50	12,187.50
4/01/2004	-	-	81,250.00	135,273.00
10/01/2004	96,655.00	5.000%	79,899.43	79,899.43
4/01/2005	-	-	79,899.43	176,554.43
10/01/2005	101,487.00	5.000%	77,483.05	77,483.05
4/01/2006	-	-	77,483.05	178,970.05
10/01/2006	106,562.00	5.000%	74,945.88	74,945.88
4/01/2007	-	-	74,945.88	181,507.88
10/01/2007	111,890.00	5.000%	72,281.83	72,281.83
4/01/2008	-	-	72,281.83	184,171.83
10/01/2008	117,484.00	5.000%	69,484.58	69,484.58
4/01/2009	-	-	69,484.58	186,968.58
10/01/2009	123,358.00	5.000%	66,547.48	66,547.48
4/01/2010	-	-	66,547.48	189,905.48
10/01/2010	129,526.00	5.000%	63,463.53	63,463.53
4/01/2011	-	-	63,463.53	192,989.53
10/01/2011	136,003.00	5.000%	60,225.38	60,225.38
4/01/2012	-	-	60,225.38	196,228.38
10/01/2012	142,803.00	5.000%	56,825.30	56,825.30
4/01/2013	-	-	56,825.30	199,628.30
10/01/2013	149,943.00	5.000%	53,255.23	53,255.23
4/01/2014	-	-	53,255.23	203,198.23
10/01/2014	157,440.00	5.000%	49,506.65	49,506.65
4/01/2015	-	-	49,506.65	206,946.65
10/01/2015	165,312.00	5.000%	45,570.65	45,570.65
4/01/2016	-	-	45,570.65	210,882.65
10/01/2016	173,578.00	5.000%	41,437.85	41,437.85
4/01/2017	-	-	41,437.85	215,015.85
10/01/2017	182,257.00	5.000%	37,098.40	37,098.40
4/01/2018	-	-	37,098.40	219,355.40
10/01/2018	191,370.00	5.000%	32,541.98	32,541.98
4/01/2019	-	-	32,541.98	223,911.98
10/01/2019	200,938.00	5.000%	27,757.73	27,757.73
4/01/2020	-	-	27,757.73	228,695.73
10/01/2020	210,985.00	5.000%	22,734.28	22,734.28
4/01/2021	-	-	22,734.28	233,719.28
10/01/2021	221,534.00	5.000%	17,459.65	17,459.65
4/01/2022	-	-	17,459.65	238,993.65
10/01/2022	232,611.00	5.000%	11,921.30	11,921.30
4/01/2023	-	-	11,921.30	244,532.30
10/01/2023	244,241.00	5.000%	6,106.03	6,106.03
			6,106.03	250,347.03
Total	3,250,000.00	-	2,026,529.92	5,276,529.92

SPECIMEN

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:

_____

02/27/03
686870.00002

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

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

Writer's Contact Information

March 4, 2003

The City of Parkersburg
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Parkersburg (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $4,000,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated the date hereof (the "Series 2003 A Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated March 4, 2003, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), 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 at the rate of 3% per annum, and with principal installments and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2004, and ending June 1, 2024, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2003 A Bonds.

The Series 2003 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions,

TERRALEX
Member of the Worldwide Network of Independent Law Firms℠

betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on February 25, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 25, 2003 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2003 A Bonds are authorized and issued, and the Loan Agreement has been entered into. The Series 2003 A 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 Series 2003 A 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 Series 2003 A 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 the Bond Legislation and to issue and sell the Series 2003 A 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 the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the Councilor diminish the obligations of the Issuer without the written consent of the Authority and the Council.

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Series 2003 A 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 Series 2003 A 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 the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, dated May 1, 1996, issued in the original aggregate principal amount of $31,250,000 (the "Prior Bonds"), and the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), issued

concurrently herewith in the original aggregate principal amount of $3,250,000, all in accordance with the terms of the Series 2003 A Bonds and the Bond Legislation.

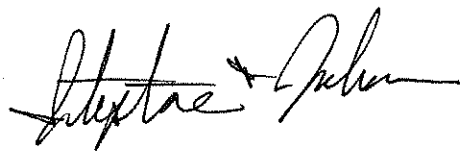
5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2003 A Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not 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 Series 2003 A 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 Series 2003 A 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 Series 2003 A Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Series 2003 A Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2003 A Bonds to be includable in gross income retroactive to the date of issuance of the Series 2003 A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2003 A Bonds.

6. The Series 2003 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Series 2003 A 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 Series 2003 A Bonds and the enforceability of the Series 2003 A 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 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

02/24/03
686870.00002

CH581617.2

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

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

Writer's Contact Information

March 4, 2003

The City of Parkersburg
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

The City of Parkersburg
Parkersburg, 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 Parkersburg (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $3,250,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), dated the date hereof (the "Series 2003 B Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated March 4, 2003, 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 Series 2003 B Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Series 2003 B 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, 2003, at the rate of 5.0% per annum, and with principal installments payable on October 1 of each year, commencing October 1, 2003, and ending October 1, 2023, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2003 B Bonds.

The Series 2003 B 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 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions,

TERRALEX
Member of the Worldwide Network of Independent Law Firms℠

betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on February 25, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 25, 2003 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Series 2003 B Bonds are authorized and issued, and the Loan Agreement has been entered into. The Series 2003 B 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 Series 2003 B 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 Series 2003 B 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 the Bond Legislation and to issue and sell the Series 2003 B 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 and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Series 2003 B 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 Series 2003 B 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 the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, dated May 1, 1996, issued in the original aggregate principal amount of $31,250,000 (the "Prior Bonds"), and the Issuer's Combined Waterworks and

Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), issued concurrently herewith in the original aggregate principal amount of $4,000,000, all in accordance with the terms of the Series 2003 B 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 Series 2003 B 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 Series 2003 B 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 Series 2003 B 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 Series 2003 B Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Series 2003 B Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2003 B Bonds to be includable in gross income retroactive to the date of issuance of the Series 2003 B Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2003 B Bonds.

6. The Series 2003 B Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Series 2003 B 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 Series 2003 B Bonds and the enforceability of the Series 2003 B 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 in appropriate cases.

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

Very truly yours,

Steptoe & Johnson PLLC

STEPTOE & JOHNSON PLLC

02/24/03
686870.00002

CH581654.2

Mayor Jimmy Colombo

CITY OF PARKERSBURG
ONE GOVERNMENT SQUARE
P.O. BOX 1627
PARKERSBURG, WV 26102

March 4, 2003

The City of Parkersburg
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
And
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I serve as the City Attorney of the City of Parkersburg in Wood County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson, PLLC as bond counsel, a loan agreement for the Series 2003 A Bonds, dated March 4, 2003, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a loan agreement for the Series 2003 B Bonds, dated March 4, 2003, including all schedules and exhibits attached thereto, by and between the Issuer and the Authority (collectively, the "Loan Agreements"), a Bond Ordinance duly enacted by the

Issuer on February 25, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 25, 2003 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreements when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, City Clerk and members of the council of the Issuer and the Parkersburg Utility 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 Issuer in their respective capacities.

2. The Loan Agreements have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitute valid and binding agreements of the Issuer, enforceable in accordance with their terms.

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

4. The Issuer has duly enacted the ordinances prescribing the rates and charges of the System.

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

6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreements, 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,

Joseph T. Santer

Joseph T. Santer
City Attorney

JTS:dd

LAW OFFICES
SPILMAN THOMAS & BATTLE, PLLC
SINCE 1864

990 ELMER PRINCE DRIVE, SUITE 205
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE (304) 599-8175

417 GRAND PARK DRIVE, SUITE 203
PARKERSBURG, WEST VIRGINIA 26101
TELEPHONE (304) 422-6700

SPILMAN CENTER
300 KANAWHA BOULEVARD, EAST
POST OFFICE BOX 273
CHARLESTON, WEST VIRGINIA 25321-0273

TELEPHONE (304) 340-3800
FACSIMILE (304) 340-3801

333 PENCO ROAD, SUITE A
WEIRTON, WEST VIRGINIA 26062
TELEPHONE (304) 723-6980

WRITER'S DIRECT DIAL NO.

March 4, 2003

The City of Parkersburg
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bond, Series 2003 B
(West Virginia Water Development Authority)

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are special counsel to The City of Parkersburg in Wood County, West Virginia (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds.

We are of the opinion that the Issuer has received a Recommended Decision dated May 20, 2002, which became a Final Order of the Public Service Commission of West Virginia on June 9, 2002, in Case No. 01-1693-W-CN (the "PSC Order"), granting 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 PSC Order has expired prior to the date hereof without any appeal having been filed. Such PSC Order remains in full force and effect.

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

Very truly yours,

Spilman, Thomas & Battle

SPILMAN, THOMAS & BATTLE

JOSEPH M. BROWN
Attorney At Law
434 Green Street
Post Office Box 1781
Parkersburg, West Virginia 26102-1781

Telephone 304-422-6482

Facsimile 304-485-0560

February 27, 2003

The City of Parkersburg
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

Parkersburg Utility Board
Parkersburg, West Virginia

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am Counsel to the Parkersburg Utility Board (the "Board") of the City of Parkersburg in Wood County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2003 A Bonds, dated March 4, 2003, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a loan agreement for the Series 2003 B Bonds, dated March 4, 2003, including all schedules and exhibits attached thereto, by and between the Issuer and the Authority (collectively, the "Loan Agreements"), a Bond Ordinance duly enacted by the Issuer on

February 25, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 25, 2003 (the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreements when used herein.

I am of the opinion that:

1. The Board has been duly created by the Issuer and is validly existing and the members 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 execution and delivery of the Bonds and the Loan Agreements and the consummation of the transactions contemplated by the Bonds, the Loan Agreements 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 Board, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Board is a party or by which the Board or its properties are bound or any existing law, regulation, court order or consent decree to which the Board is subject.

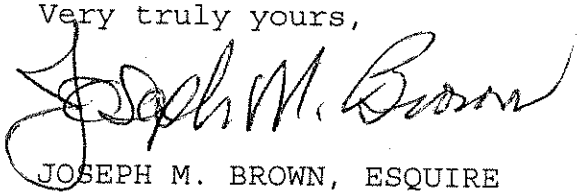
3. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Bureau of Public Health, the Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

4. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreements, 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.

5. Prior to the Issurer's execution of the construction contracts, I will ascertain that all successfull bidders have met the required provisions for all insurance payment and performance bonds and such binders for such bonds have been verified for accuracy. I will review the contracts, the surety bonds and the policies or other evidence of the insurance coverage in connection with the Project and ascertain that such surety bonds and policies are (1) in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Insurer; (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 Agreements; and (5) all such documents constitute valid and legally binding obligations of the parties hereto in accorandance 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,



JOSEPH M. BROWN, ESQUIRE

JMB:bjs

PSD\LETTER\OPINION.LTR

JOSEPH M. BROWN
Attorney At Law
434 Green Street
Post Office Box 1781
Parkersburg, West Virginia 26102-1781

Telephone 304-422-6482

Facsimile 304-485-0560

February 27, 2003

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, WV 25301

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

Steptoe & Johnson PLLC
P.O. Box 1588
Charleston, WV 25326-1588

Re: Final Title Opinion for the
City of Parkersburg/
Parkersburg Utility Board

Ladies and Gentlemen:

I am counsel for the Parkersburg Utility Board which bears the responsibility of construction, operation and maintenance of the water and sewer systems of the City of Parkersburg (the "Issuer") in connection with a proposed project to construct approximately 23,827 LF of 12", 8,925 LF of 10", 10,166 LF of 8", 20,900 LF of 6", 1,771 LF of 4" and 40 LF of 2" water line; one (1) 228 G.P.M. duplex water booster station, one (1) 377 G.P.M. duplex water booster station; upgrade the existing Sayre Avenue 360 G.P.M. duplex water booster station; add a 200,000 gallon elevated water storage tank; add a 400,000 gallon water storage tank; add a 300,000 gallon water storage tank; upgrade and rehabilitate the existing 1,200,000 gallon old south reservoir storage tank; and rehabilitate the existing radial collector Well Nos. 4 and 5 (the "Project"). I provide this final title opinion on behalf of the issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the West Virginia Water Development Authority (the "Authority") for the Project.

Please be advised of the following:

1. I am of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the Bureau of Public Health (BPH).

2. The Issuer has obtained all necessary permits and approvals for the construction of the project.

3. I have investigated and ascertained the location of, and am familiar with the legal descriptions of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Burgess and Niple, Limited, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Wood County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Issuer has acquired legal title, or such other estate or interest in all the necessary components (being 152 parcels) for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession of the proposed construction, operation and maintenance for the estimated life of the project.

5. Of the 152 parcels that comprise the project all have been acquired and duly recorded except the following four (4):

a) Dake property. Tax Map of Parkersburg District, page 240, parcel A-1. A 12 inch main will traverse this property. The Owners have been contacted through their attorney. They have not refused to sign. They have not returned an executed right of way.

b) Graff property. Tax Map of Parkersburg District, page 230, parcel J. A 12 inch water main will traversed this property. The Owner has been contacted through her attorney. It has been represented that the right of way will be granted pending approval of the trust department of All First Trust, successor to First National Bank of Maryland.

c) Calvary Memorial Church property. Tax Map of Parkersburg District, page 230, parcels I-5, I-5a, I-6. The administrative Board of the Church has approved the granting of the Right of Way. Six (6) of the seven (7) Trustees have signed the document. The remaining Trustee is on vacation and is expected to return by the anticipated date of closing.

d) United States Government, Emerson Avenue Reserve Armory. Tax Map of Parkersburg City page 170, parcel 01. Verbal permission from the local commander has been obtained to cross the property with the water line. Written documentation has been prepared and forwarded to the U.S. Army.

With the exception of the United States Government, if the interests cannot be obtained by administrative settlement, they each will be obtained by eminent domain.

The Right of Way document was submitted to the United States Army six (6) months ago. It has received all intermediate approvals, but no final approval for execution and delivery. The document last passed through the hands of George Ash, who is stationed at the 99th Regional Support Command at Oak Dale, Pennsylvania. It is now located at Fort McPearson, Georgia.

None of the above parcels are critical to the award of the various contracts for construction of the project. They all must be acquired for the completion of the project. It is my opinion that, without interruption to construction of the project, legal entry upon the needed parcels will be obtained and recorded.

6. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the office of the Clerk of the County Commission of Wood County, West Virginia to protect the legal title to and interest of the Issuer.

Very truly yours,

Joseph M. Brown

Joseph M. Brown,
Counsel for Parkersburg
Utility Board

JMB:bjs

41A\POB PTL

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(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 ORDER
16. SPECIMEN BONDS
17. CONFLICT OF INTEREST
18. PROCUREMENT OF ENGINEERING SERVICES
19. WEST VIRGINIA JOBS ACT
20. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CITY CLERK of The City of Parkersburg in Wood County, West Virginia (the "Issuer"), and the undersigned CITY ATTORNEY AND PARKERSBURG UTILITY BOARD (the "Board") ATTORNEY hereby certify in connection with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and Combined Waterworks and Sewerage

System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), both dated the date hereof (collectively, the "Series 2003 Bonds" or individually, the "Series 2003 A Bonds" and the "Series 2003 B Bonds," respectively), 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 February 25, 2003, and the Supplemental Resolution duly adopted February 25, 2003 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series 2003 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 Series 2003 Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2003 Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Series 2003 Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2003 Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Series 2003 Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Series 2003 Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect. The undersigned City Attorney makes no representations regarding this paragraph.

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 2003 Bonds as to liens, pledge, source of and security for payment, being the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, dated May 1, 1996, issued in the original aggregate principal amount of $31,250,000 (the "Prior Bonds"). The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System.

The Series 2003 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met.

There are also outstanding the Issuer's (i) Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 A, dated June 28, 2001, issued in the original aggregate principal amount of $524,502.57 (the "Series 2001 A Notes"); (ii) the Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 B, dated June 28, 2001, issued in the original aggregate principal amount of $124,155.70 (the "Series 2001 B Notes"); (iii) the Combined Waterworks and Sewerage System Subordinate Note, Series 2002 A, dated January 24, 2002, issued in the original aggregate principal amount of $875,000 (the "Series 2002 A Notes"); and (iv) vehicular municipal lease-purchase agreement, dated January 25, 2000, in the amount of $17,091 (the "Vehicle Lease"), all of which are payable from Surplus Revenues. The Series 2001 A Notes, Series 2001 B Notes, Series 2002 A Notes and the Vehicle Lease are collectively referred to as the "Prior Notes." Except for the Prior Bonds and the Prior Notes, the Issuer has no other bonds, notes or other obligations secured by or payable from revenues or assets of the System.

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

Bond Ordinance

Supplemental Resolution

IC Loan Agreement

WDA Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

City Charter, with Amendments

Oaths of Office of Officers and Councilmembers

Ordinance Creating Parkersburg Utility Board

Sewer and Water Rate Ordinance

Minutes on Adoption and Enactment of Sewer and Water Rate Ordinance

Affidavit of Publication of Sewer and Water Rate Ordinance

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

Environmental Health Services Permit

1996 Bond and Supplemental Resolutions

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Parkersburg." The Issuer is a municipal corporation in Wood 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 9 councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name		Date of Commencement of Office	Date of Termination of Office
Honorable Jimmy Colombo	- Mayor	01/02/02	12/31/05
Shelia Hunley	- Councilmember	01/02/02	12/31/05
Dorsey Cheuvront	- Councilmember	01/02/02	12/31/05
David Bradley Kimes	- Councilmember	01/02/02	12/31/05
Hampden Fitcher, Jr.	- Councilmember	01/02/02	12/31/05
Sharyn Tallman	- Councilmember	01/02/02	12/31/05
Betty Mather	- Councilmember	01/02/02	12/31/05
Ed Roedersheimer	- Councilmember	01/02/02	12/31/05
Robert Goff	- Councilmember	01/02/02	12/31/05
Demosthenes Dukas	- Councilmember	01/02/02	12/31/05

The duly appointed and acting members of the Parkersburg Utility Board are as follows:

Name		
Jimmy Colombo	-	Chairman (ex officio)
Paul R. Westfall	-	Member
Wilbur Ruehl	-	Member
Paul C. Hoblitzell, III	-	Member
Harry Pitts	-	Member

The duly appointed and acting City Clerk of the Issuer is Connie Shaffer. The duly appointed and acting City Attorney is Joseph Santer, Esquire, Parkersburg, West Virginia. The duly acting counsel to the Parkersburg Utility Board is Joseph M. Brown, Parkersburg, West Virginia. The duly acting special PSC Counsel is Spilman, Thomas & Battle, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: Except as specifically provided below, 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 Series 2003 Bonds.

The Issuer has four (4) rights-of-way which must be obtained to complete the Project, as specifically described in the title opinion of counsel to the Parkersburg Utility Board, dated February 27, 2003 (the "Title Opinion"). The Issuer hereby certifies that it shall immediately commence condemnation proceedings for the three (3) rights-of-way referred to in the Title Opinion as the "Dake property," the "Graff property," and the "Calvary Memorial Church Property." The fourth right-of-way, referred to in the Title Opinion as the "United States Government, Emerson Avenue Reserve Armory", is owned by the United States Government and, thus, not subject to eminent domain. Accordingly, the Issuer hereby certifies that if the right-of-way for the United States Government, Emerson Avenue Reserve Armory has not been obtained by September 15, 2003, the Issuer will file a Change Order with the Council and the Authority for the purpose of moving the water line off of United States Government property.

The undersigned City Attorney makes no representations regarding this paragraph number 7.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2003 Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect. The undersigned City Attorney makes no representations regarding this paragraph.

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 Issuer has duly enacted a water rate ordinance and a sewer rate ordinance on September 26, 2000, setting rates and charges of the System. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2003 Bonds of the aforesaid issue, consisting upon original issuance of a single Bond of each series, dated the date hereof, by his or her manual signature, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon said Series 2003 Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2003 Bonds to a representative of the Authority as the original purchaser of the Series 2003 Bonds under the

Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received $200,725 from the Authority and the Council, being a portion of the principal amount of the Series 2003 A Bonds and $3,250,000 from the Authority, being the entire principal amount of the Series 2003 B Bonds (100% of par value), there being no interest accrued thereon. The balance of the principal amount of the Series 2003 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. 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 *Parkersburg News* and the *Parkersburg Sentinel*, two qualified newspapers published in The City of Parkersburg, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2003 Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 25th day of February, 2003, at 7:00 p.m., at The City of Parkersburg 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.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on June 9, 2002, in Case No. 01-1693-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 Final Order has expired prior to the date hereof without any appeal. The undersigned City Attorney and the Board's Attorney make no representations regarding this paragraph.

16. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2003 Bonds.

17. 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 Series 2003 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.

18. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds. The City Attorney makes no representations regarding this paragraph.

19. WEST VIRGINIA JOBS ACT: That, unless it qualifies for an exception, the Issuer hereby covenants to 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 will require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer shall provide the Council and the Authority with a certificate stating 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 Council 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 monthly requisitions submitted to the Council shall also certify that the Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted. The City Attorney makes no representations regarding this paragraph.

20. 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 PARKERSBURG on this 4th day of March, 2003.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
Connie Shaffer	City Clerk
Joseph T. Santer	City Attorney
Joseph M. Brown	Board Attorney

02/24/03
686870.00003

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of The City of Parkersburg in Wood County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $4,000,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A(West Virginia Infrastructure Fund) (the "Series 2003 A Bonds"), and $3,250,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority) (the "Series 2003 B Bonds") of the Issuer, both dated the date hereof (collectively, 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 and applicable regulations (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 February 25, 2003 (as supplemented, the "Bond 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 March 4, 2003, the date on which the Bonds are to be physically delivered in exchange for all or a portion of the 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 Series 2003 A Bonds were sold on March 4, 2003, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated March 4, 2003, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), for an aggregate purchase price of $4,000,000 (100% of par), at which time the Issuer received $200,725, being more than a de minimus amount of the Series 2003 A Bonds. No accrued interest has been or will be paid on the Series 2003 A Bonds. The balance of the principal amount of the Series 2003 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses. The Series 2003 B Bonds were sold on March 4, 2003, to the Authority, pursuant to a loan agreement dated March 4, 2003, by and between the Issuer and the Authority, for an aggregate purchase price of $3,250,000 (100% of par), at which time the Issuer received the entire principal amount of the Series 2003 B Bonds. No accrued interest has been or will be paid on the Series 2003 B Bonds.

6. The Issuer has covenanted in the Bond Ordinance not to take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted not to 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 extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying costs of issuance and related costs thereof.

8. Not later than simultaneously with the delivery of the Series 2003 A Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the 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 Reserve Accounts for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before April 4, 2004. The acquisition and construction of the Project is expected to be completed by January 4, 2004.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $7,250,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2003 A Bonds	$4,000,000
Proceeds of the Series 2003 B Bonds	$3,250,000
Total Sources	$7,250,000
USES	
Costs of Acquisition and Construction of the Project	$7,235,500
Costs of Issuance Bonds	$ 29,000
Total Uses	$7,221,000

The total amount of the costs of the Project is estimated to be at least equal to the gross proceeds of the Series 2003 A Bonds and the Series 2003 B 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) Series 2003 A Bonds Construction Trust Fund;

(4) Series 2003 B Bonds Construction Trust Fund;

(5) Rebate Fund;

(6) Series 2003 A Bonds Sinking Fund;

(7) Series 2003 A Bonds Reserve Account;

(8) Series 2003 B Bonds Sinking Fund; and

(9) Series 2003 B Bonds Reserve Account.

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

(1) Series 2003 A Bonds proceeds in the amount of $ -0- will be deposited in the Series 2003 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2003 A Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 2003 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2003 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2003 A Bonds will be deposited in the Series 2003 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2003 A Bonds and related costs.

(4) Series 2003 B Bonds proceeds in the amount of $ -0- will be deposited in the Series 2003 B Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2003 B Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(5) Series 2003 B Bonds proceeds in the amount of $-0- will be deposited in the Series 2003 B Bonds Reserve Account.

(6) The balance of the proceeds of the Series 2003 B Bonds will be deposited in the Series 2003 B Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2003 B Bonds and related costs.

Amounts in the Series 2003 A Bonds Construction Trust Fund and the Series 2003 B Bonds Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years, except as otherwise set forth herein. All of such monies 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 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. Monies held in the Series 2003 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2003 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2003 A Bonds Sinking Fund and Series 2003 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2003 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. Monies held in the Series 2003 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2003 B Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2003 B Bonds Sinking Fund and Series 2003 B Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2003 B 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.

14. Except for the Series 2003 A Bonds Sinking Fund and the Series 2003 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 Series 2003 A Bonds, or which are pledged as collateral for the Series 2003 A Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 2003 A Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that monies in the Depreciation Fund will be used or needed for payments upon the Series 2003 A 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 Series 2003 A Bonds have been or will be pledged to payment of the Series 2003 A Bonds. Less than 10% of the monies received from the sale of the Series 2003 A Bonds, if any, will be deposited in the Series 2003 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2003 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Series 2003 A Bonds and will not exceed 125% of average annual principal of and interest on the Series 2003 A Bonds. Amounts in the Series 2003 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 2003 A Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2003 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Series 2003 A Bonds, and is reasonably required to assure payments of debt service on the Series 2003 A Bonds.

15. Except for the Series 2003 B Bonds Sinking Fund and the Series 2003 B Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Series 2003 B Bonds, or which are pledged as collateral for the Series 2003 B Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 2003 B Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that monies in the Depreciation Fund will be used or needed for payments upon the Series 2003 B 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 Series 2003 B Bonds have been or will be pledged to payment of the Series 2003 B Bonds. Less than 10% of the monies received from the sale of the Series 2003 B Bonds, if any, will be deposited in the Series 2003 B Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2003 B Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Series 2003 B Bonds and will not exceed 125% of average annual principal of and interest on the Series 2003 B Bonds. Amounts in the Series 2003 B Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 2003 B Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2003 B Bonds Reserve Account is required by the Authority, is vital to its purchase of the Series 2003 B Bonds, and is reasonably required to assure payments of debt service on the Series 2003 B Bonds.

Because amounts in the Depreciation Fund may be expended for other purposes, there is no reasonable assurance that any such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation.

16. 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.

17. 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 10 months of the date hereof.

18. 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.

19. 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.

20. With the exception of the amount deposited in the Series 2003 A Bonds Sinking Fund for payment of interest on the Series 2003 A Bonds and the amount deposited in the Series 2003 A Bonds Reserve Account, if any, all of the proceeds of the Series 2003 A Bonds will be expended on the Project within 10 months from the date of issuance thereof.

21. With the exception of the amount deposited in the Series 2003 B Bonds Sinking Fund for payment of interest on the Series 2003 B Bonds and the amount deposited in the Series 2003 B Bonds Reserve Account, if any, all of the proceeds of the Series 2003 B Bonds will be expended on the Project within 10 months from the date of issuance thereof.

22. 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.

23. The Series 2003 A Bonds Sinking Fund (other than the Series 2003 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Series 2003 A Bonds each year. The Series 2003 A Bonds Sinking Fund (other than the Series 2003 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 Series 2003 A Bonds, or 1 year's interest earnings on the Series 2003 A Bonds Sinking Fund (other than the Series 2003 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2003 A Bonds Sinking Fund for payment of the principal of or interest on the Series 2003 A Bonds (other than the Series 2003 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 monies received from the investment of amounts held in the Series 2003 A Bonds Sinking

Fund (other than in the Series 2003 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

24. The Series 2003 B Bonds Sinking Fund (other than the Series 2003 B Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Series 2003 B Bonds each year. The Series 2003 B Bonds Sinking Fund (other than the Series 2003 B Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Series 2003 B Bonds, or 1 year's interest earnings on the Series 2003 B Bonds Sinking Fund (other than the Series 2003 B Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2003 B Bonds Sinking Fund for payment of the principal of or interest on the Series 2003 B Bonds (other than the Series 2003 B Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any monies received from the investment of amounts held in the Series 2003 B Bonds Sinking Fund (other than in the Series 2003 B Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

25. 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.

26. 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.

27. 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.

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

29. 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.

30. 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.

31. 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.

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

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

34. The Issuer has either (a) funded the Series 2003 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2003 A Bonds in the then current or any succeeding year with the proceeds of the Series 2003 A Bonds, or (b) created the Series 2003 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2003 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2003 A Bonds in the then current or any succeeding year. Monies in the Series 2003 A Bonds Reserve Account and the Series 2003 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2003 A Bonds and will not be available to pay costs of the Project.

35. The Issuer has either (a) funded the Series 2003 B Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2003 B Bonds in the then current or any succeeding year with the proceeds of the Series 2003 B Bonds, or (b) created the Series 2003 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2003 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2003 B Bonds in the then current or any succeeding year. Monies in the Series 2003 B Bonds Reserve Account and the Series 2003 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2003 B Bonds and will not be available to pay costs of the Project.

36. 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.

37. 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.

38. 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.

39. 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 any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

40. 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.

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

42. All proceeds of the Bonds to be used for payment of costs of the Project will be expended for such purposes within 3 years.

43. 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.

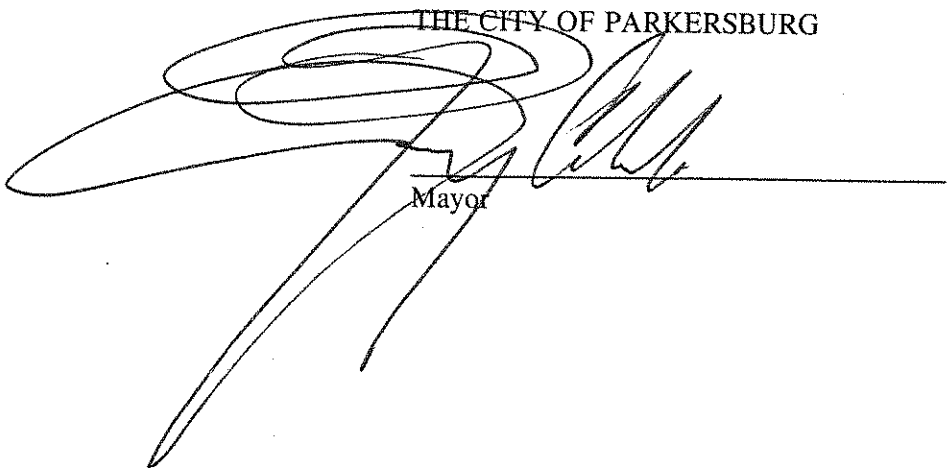
44. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

45. 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.

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

WITNESS my signature on this 4th day of March, 2003.

THE CITY OF PARKERSBURG



Mayor

02/25/03
686870.00002

[RESERVED]

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

CERTIFICATE OF ENGINEER

I, Ronald R. Schultz, Registered Professional Engineer, West Virginia License No. 8634, of Burgess & Niple, Limited, Parkersburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the waterworks portion of the existing public combined waterworks and sewerage system (the "System") of The City of Parkersburg, acting through the Parkersburg Utility Board (the "Issuer"), to be constructed in Wood County, West Virginia, which acquisition and construction are being permanently financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on February 25, 2003, as amended by the Supplemental Resolution of the Issuer adopted February 25, 2003 (collectively, the "Bond Legislation"), the Loan Agreement for the Series 2003 A Bonds by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council, dated March 4, 2003, and the Loan Agreement for the Series 2003 B Bonds, by and between the Issuer and the Authority, dated March 4, 2003 (collectively, the "Loan Agreements").

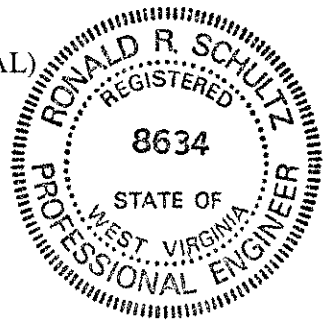
2. The Series 2003 A Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

3. The Series 2003 B Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

4. 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 Council and the Authority and any change orders approved by the Issuer, the Authority, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 30 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A and the Schedule B attached hereto as Exhibit A and Joseph M. Brown, Esquire, counsel to the Issuer, will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council 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 with one exception, an addendum for Contract 01-2B was issued four (4) days prior to bid opening, rather than five (5) as required by the Uniform Bid Procedure; (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; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Smith Cochran & Hicks, P.L.L.C., of even date herewith, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the respective Loan Agreements; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Estimated Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 4th day of March, 2003.

(SEAL)



Ronald R. Schultz, P.E.
West Virginia License No. 8634

CH579683.3

Schedule A

Name of Governmental Agency: City of Parkersburg/Parkersburg Utility Board

Estimated Total Cost of Project Sources of Funds and Cost of Financing

A. Cost of Project

1. Construction	$5,515,715.00
2.Technical Services	$1,118,000.00
3. Legal and Fiscal	$11,585.00
4. Administrative	$20,000.00
5. Site and Other Lands	$0.00
6. Step I and/or Step II or Other Loan Repayment (Specify Type)	$0.00
7. Interim Financing Costs	$0.00
8. A. Contingency	$345,000.00
B. Restricted Contingency	$210,700.00
9. Total of Lines 1-8	$7,221,000.00

B. Source of Funds

10. Federal Grants	$0.00
11. State Grants	$0.00
12. Other Grants	$0.00
13. Other Sources (West Virginia IJDC)	$4,000,000.00
14. Total of Lines 10-13	$4,000,000.00
15. Proceeds Required from Bond Issue (Line 9 less line 14)	$3,221,000.00

C. Cost of Financing

16. Capitalized Interest	$0.00
17. Funded Reserve Account	$0.00
18. Bond Counsel	$29,000.00
19. Other Costs	$0.00
20. Total of Lines 16-19	$29,000.00
21. Size of Bond Issue (Line 9 plus Line 20 minus Line 14)	$3,250,000.00

Signature of Applicant

Date: 3-3-03

Signature of Consulting Engineer

Date: 3/4/03

RONALD R. SCHULTZ REGISTERED PROFESSIONAL ENGINEER 8634 STATE OF WEST VIRGINIA

SCH
Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Beckley Bridgeport Charleston Montgomery
405 Capitol Street ● Suite 908 ● Charleston, West Virginia 25301 ● 304-345-1151 ● Fax 304-346-6731

March 4, 2003

The City of Parkersburg
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

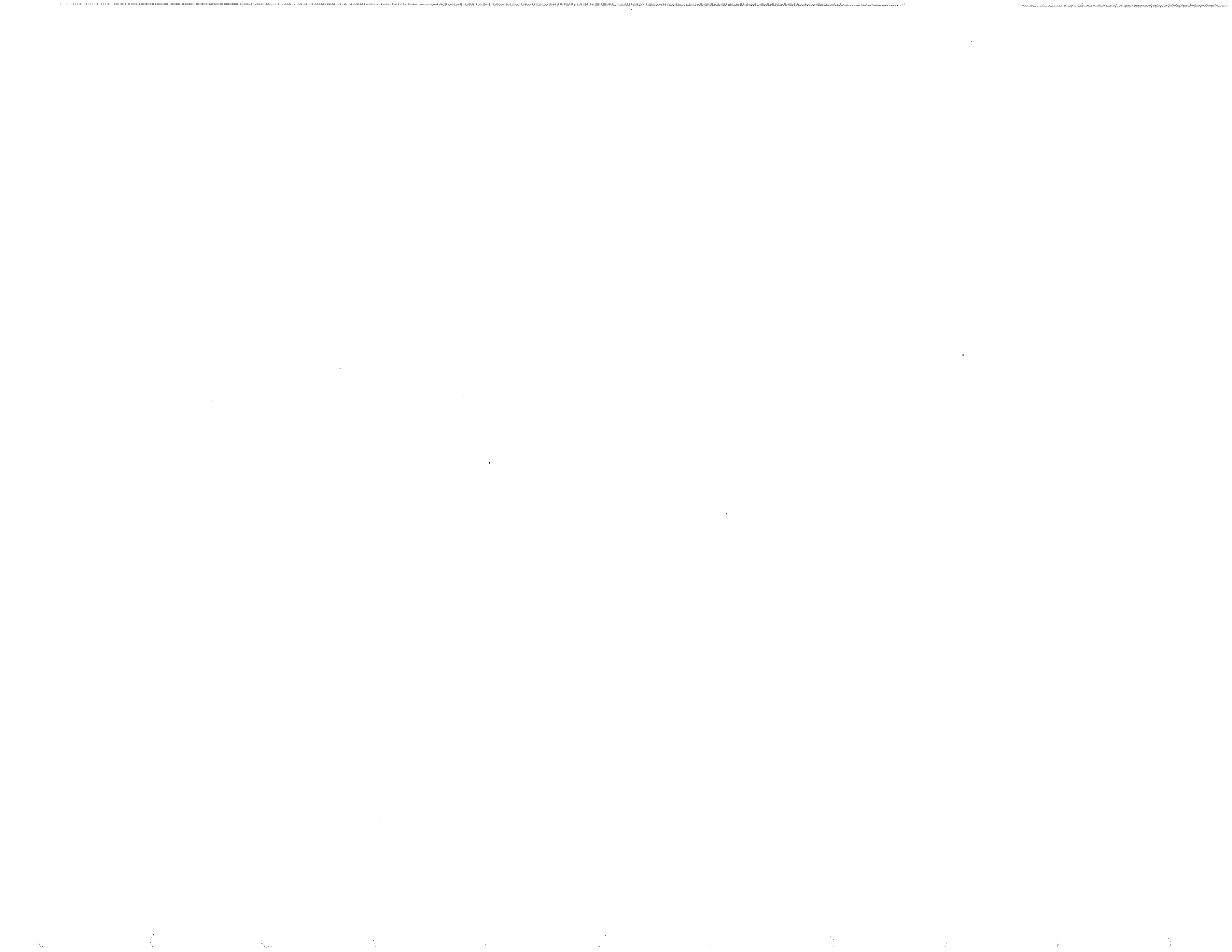
Based upon the rates and charges set forth in the water rate ordinance of The City of Parkersburg (the "Issuer"), enacted September 26, 2000, and the sewer rate ordinance of the Issuer, enacted September 26, 2000, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Burgess & Niple, Limited, it is our opinion that such rates and charges will be sufficient to produce Net Revenues of the combined waterworks and sewerage system of the Issuer (the "System") equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Prior Bonds"), the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority) (collectively, the "Series 2003 Bonds"), in any fiscal year; and (ii) the amount required to be deposited in the Reserve Account in order to satisfy the Reserve Account Requirement within a period of not more than 6 months, assuming equal payments are made each month, as required in the ordinance authorizing the Prior Bonds.

It is our further opinion that the Net Revenues actually derived from the System during the Fiscal Year preceding the date of the actual issuance of the Series 2003 Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of the Series 2003 Bonds will not be less than 120% of the maximum annual debt service on the Series 2003 Bonds and the Prior Bonds.

Very truly yours,

Smith Cochran & Hicks

SMITH, COCHRAN & HICKS, CPA



CHARTER

CITY OF

PARKERSBURG, WEST VIRGINIA

EDITOR'S NOTE: The Parkersburg Charter was adopted at the special election held October 7, 1969. Dates appearing in parentheses following a section heading indicate those provisions were subsequently amended, enacted or repealed on the date given.

TABLE OF CONTENTS

ARTICLE I INCORPORATION; FORM OF GOVERNMENT; POWERS.
- Section 1.100 Incorporation.
- Section 1.101 Form of Government.
- Section 1.102 Powers of City.

ARTICLE II LEGISLATIVE BRANCH

Chapter 1 The Council.
- Section 2.100 Powers.
- Section 2.101 Number, Selection and Terms of Councilmen.
- Section 2.102 Election Districts. Map
- Section 2.103 Precincts Defined.
- Section 2.104 Council Redistricting.
- Section 2.105 Qualifications of Councilmen.
- Section 2.106 Organization of the Council; Officers; Rules; Employees.

Chapter 2 Council Procedure.
- Section 2.200 Procedure Respecting Adoption of Ordinances. (10-15-85)
- Section 2.201 Submission of Ordinances to Mayor; Veto Power. (10-15-85)
- Section 2.202 Mayor or Representative Shall Attend Council Meetings.
- Section 2.203 Council Meetings to be Public. (10-15-85)
- Section 2.204 Council to be the Judge of Qualifications of its Members.

Chapter 2 Council Procedure. (Cont.)
Section 2.205 Creation of Departments or Offices; Change in Duties.
Section 2.206 Vacancies in Council. (10-15-85)
Section 2.207 Compensation. (10-15-85)
Section 2.208 Codification of Ordinances. (10-15-85)
Chapter 3 Investigations by Council.
Section 2.300 Investigations; Powers to Conduct.
Section 2.301 Power to Administer Oaths, Subpoena Witnesses and Compel Production of Records.

ARTICLE III EXECUTIVE BRANCH
Section 3.100 Powers and Duties of Mayor.
Section 3.101 Election and Term of Mayor.
Section 3.102 Qualifications of Mayor.
Section 3.103 Acting Mayor.
Section 3.104 Vacancy in Office.
Section 3.105 Compensation of the Mayor.

ARTICLE IV ADMINISTRATIVE DEPARTMENTS
Chapter 1 Personnel System.
Section 4.100 Merit System.
Section 4.101 Civil Service.
Section 4.102 Oath, Qualifications.
Section 4.103 Personnel Policy.
Section 4.104 Employees' Retirement and Benefit Fund.
Section 4.105 Restrictions on Employment.
Section 4.106 Prohibitions.
Section 4.107 Appointment, Qualifications, Removal and Duties of Personnel Director.
Chapter 2. Department of Public Works.
Section 4.200 Director of Public Works, Appointment.
Section 4.201 Director of Public Works, Qualifications.
Section 4.202 Director of Public Works, Powers and Duties.
Section 4.203 Building Code, Zoning and Related Ordinances.
Section 4.204 City Engineer.
Section 4.205 Qualifications of City Engineer.
Section 4.206 Powers and Duties of the City Engineer.
Chapter 3 Department of Finance
Section 4.300 Director of Finance, Appointment and Qualifications. (10-15-85)
Section 4.301 Director of Finance, Powers and Duties.
Section 4.302 Accounting Supervision and Control.
Section 4.303 Fines and Fees Shall be Paid to Department of Finance.
Section 4.304 Director of Finance to Perform Duties of City Clerk. (10-15-85)
Chapter 4 Purchasing Department.
Section 4.400 Department of Purchases. (10-15-85)
Section 4.401 Powers and Duties.
Section 4.402 Competitive Bidding.

Chapter 5 City Attorney.
Section 4.500 Qualifications, Selection and Tenure.
Section 4.501 Powers and Duties.
Section 4.502 Assistant City Attorneys.
Section 4.503 Special Counsel.

ARTICLE V FINANCIAL PROCEDURES
Section 5.100 Fiscal Year.
Section 5.101 Submission of Budget and Budget Message.
Section 5.102 Budget Message.
Section 5.103 Budget.
Section 5.104 Capital Program.
Section 5.105 Council Action on Budget. (10-15-85)
Section 5.106 Council Action on Capital Program. (10-15-85)
Section 5.107 Public Records.
Section 5.108 Administration of Budget.
Section 5.109 Fiscal Planning Commission; Council Authorized to Create.

ARTICLE VI MUNICIPAL COURT
Section 6.100 Jurisdiction. (10-15-85)
Section 6.101 Municipal Judge, Qualifications.
Section 6.102 Municipal Court Judge, Method of Selection, Term of Office.
Section 6.103 Acting Municipal Judge.
Section 6.104 Municipal Judge, Powers and Duties.
Section 6.105 Municipal Court, Process.
Section 6.106 Fines and Fees.

ARTICLE VII NOMINATIONS AND ELECTIONS.
Section 7.100 General Election Laws to Control; Terms of Officers.
Section 7.101 Primary Elections; Time, Place and Certificates of Candidacy. (10-15-85)
Section 7.102 Terms of Members of Executive Committees.
Section 7.103 General Elections; Time and Place.
Section 7.104 First Officers Under This Charter; Nomination, Election and Terms.
Section 7.105 Continuity of Present Governing Body.
Section 7.106 Council to Provide for Independent Party or Group Participation.
Section 7.107 Municipal Party Executive Committees; How Composed.
Section 7.108 Council to Canvass Returns. (10-15-85)

ARTICLE VIII INITIATIVE, REFERENDUM AND RECALL
Section 8.100 Initiative.
Section 8.101 Referendum.
Section 8.102 Petitions.
Section 8.103 Procedure.
Section 8.104 Referendum Petitions; Suspension of Effect of Ordinance.
Section 8.105 Action on Petitions.
Section 8.106 Results of Election.
Section 8.107 Power or Recall.
Section 8.108 Election Under Recall Petition.
Section 8.109 Filling Vacancy Caused by Recall.
Section 8.110 Limitations on Recall.

ARTICLE IX SUCCESSION IN GOVERNMENT
Section 9.100 Continuity of Administrative Personnel and Offices.
Section 9.101 Continuity of Offices, Departments or Agencies.
Section 9.102 Transfer of Records and Property.
Section 9.103 Succession in Interest; Pending Actions and Proceedings.
Section 9.104 Effect on Existing Law.

ARTICLE X GENERAL PROVISIONS
Section 10.100 Chief of Police. (10-15-85)
Section 10.101 Chief of Fire Department. (10-15-85)
Section 10.102 Hospitals.
Section 10.103 Sanitary Board; Appointment.
Section 10.104 Combined Waterworks and Sewerage System.
Section 10.105 Bonds.
Section 10.106 Separability Clause.
Section 10.107 Reference to General Law.
Section 10.108 Sundays and Legal Holidays; Saturday Council Proceedings Lawful. (10-15-85)
Section 10.109 Loss of Qualification by Officer or Employee; Vacancy Created. (10-15-85)
Section 10.110 Conflict of Interest.
Section 10.111 Central Garage and Motor Pool.

APPENDIX A
Certificate Ordinance Procedures.
APPENDIX B
Report of the Charter Board.
APPENDIX C
Structure of Government Under Proposed Charter.

CHARTER

OF THE

CITY OF PARKERSBURG

ARTICLE I
INCORPORATION; FORM GOVERNMENT; POWERS

SECTION 1.100 INCORPORATION.

The inhabitants of the City of Parkersburg, West Virginia, within the corporate limits as now established or as hereafter established in the manner provided by law, shall continue to be a municipal body politic and corporate in perpetuity, under the name of "The City of Parkersburg".

SECTION 1.101 FORM OF GOVERNMENT.

The municipal government provided by this charter shall be the "strong-mayor plan".

SECTION 1.102 POWERS OF CITY.

This City, incorporated under this municipal home rule Charter, shall have all the powers granted to municipal corporations and to cities of its class by the Constitution and laws of the State of West Virginia, together with all the implied powers necessary to carry into execution all the powers granted.

ARTICLE II
LEGISLATIVE BRANCH

CHAPTER 1. THE COUNCIL

SECTION 2.100 POWERS.

All legislative powers of the City shall be vested in the Council.

SECTION 2.101 NUMBER, SELECTION AND TERMS OF COUNCILMEN.

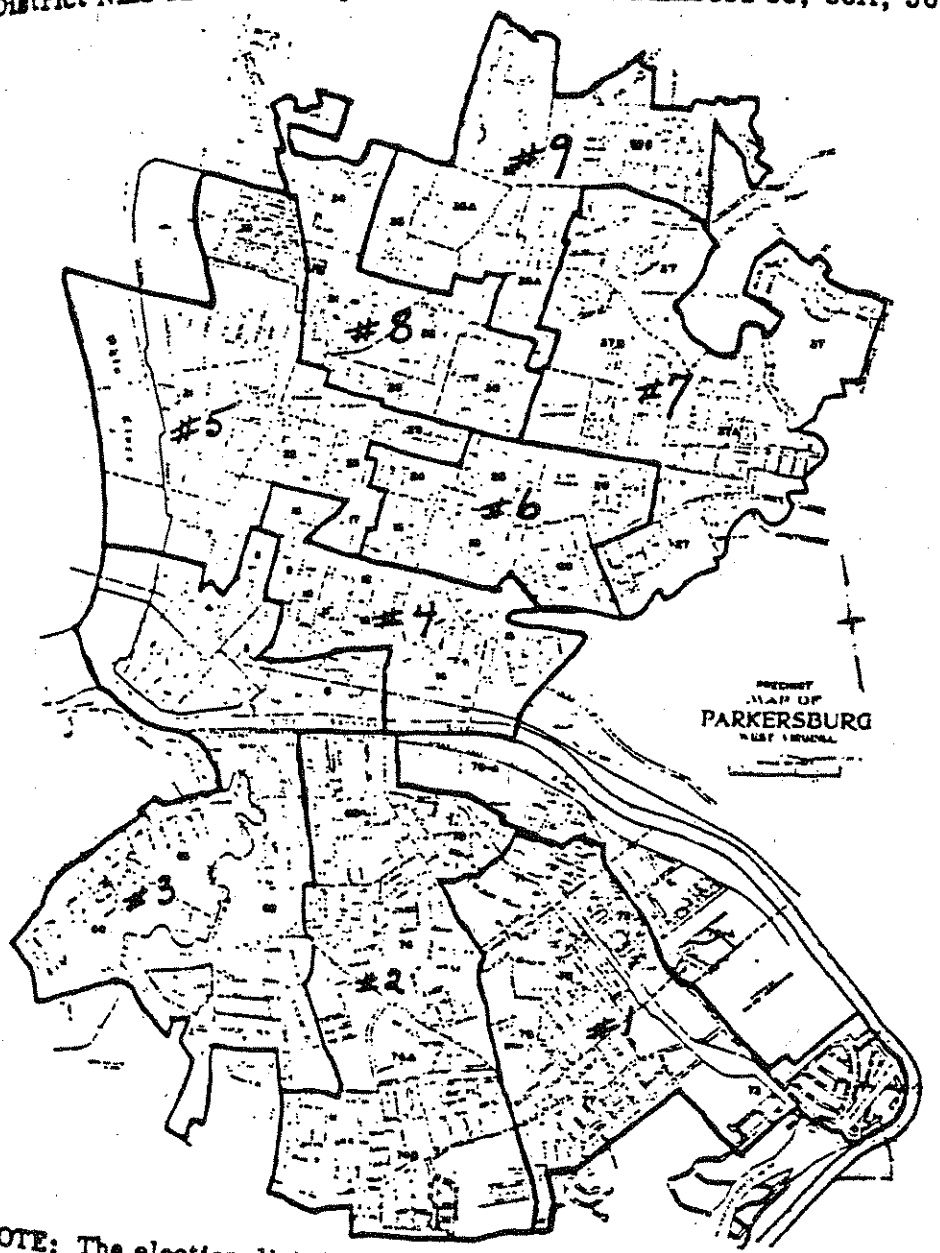
The Council shall consist of nine members, one to be elected from each of the municipal election districts, hereinafter described, to serve for a term of four years, in the manner provided in this Charter. Each Councilman shall be elected by the qualified voters resident in the particular district from which he is to be elected.

SECTION 2.102 ELECTION DISTRICTS.

The City shall be divided into nine election districts, each serving as the basis for electing a district Councilman. The nine election districts shall be as follows:

H.102

(a) District One shall be composed of Precincts numbers 71, 72, 73, 75, 76 and 77.
(b) District Two shall be composed of Precincts numbers 69, 70, 74, 74A and 74B.
(c) District Three shall be composed of Precincts numbers 1, 4, 5, 6, 8, 65, 66 and 68.
(d) District Four shall be composed of Precincts numbers 9, 10, 11, 12, 13, 14, 15 and 16.
(e) District Five shall be composed of Precincts numbers 7, 17, 21, 22, 23, 29 and 33.
(f) District Six shall be composed of Precincts numbers 18, 19, 20, 24, 25 and 26.
(g) District Seven shall be composed of Precincts numbers 27, 37, 37A and 37B.
(h) District Eight shall be composed of Precincts numbers 28, 30, 31, 32 and 34.
(i) District Nine shall be composed of Precincts numbers 35, 35A, 36, 36A and 36B.



EDITOR'S NOTE: The election district boundaries originally established by the Charter have been amended by a later ordinance pursuant to the authority granted under Section 2.104 of the Charter. Consult Article 107 for legislation adopting the Election District Map currently in effect.

1988 Replacement

SECTION 2.103 PRECINCTS DEFINED.

The precincts referred to in Section 2.102 shall mean the voting precincts, insofar as they lie within the corporate limits of the City, fixed by the County court for all State and County elections as they exist on the effective date of this Charter. Within three months after their election and qualification, the members of the first Council elected under this Charter shall cause to be made and kept a detailed map of the City showing the boundaries of the Municipal election districts herein described; and each subsequent Council shall cause such map to be kept, maintained and revised as appropriate. The initial such map and any revised such map shall be approved and promulgated by Council in the same manner as provided for the adoption of ordinances.

SECTION 2.104 COUNCIL REDISTRICTING.

It shall be the duty of Council to redistrict the City by ordinance, with or without the assistance of a districting commission, within a period of six months after the official publication by the United States of the population of the City as revealed in such official census. Each election district shall be made to contain as nearly as possible, consistent with general laws, the population factor obtained by dividing by the number of district Councilmen the City's population as shown by such official census. If, at the expiration of the six months period, Council shall have failed to redistrict the City as herein required, the members of Council shall receive no further compensation until such ordinance shall have been adopted; and the Director of Finance shall issue no checks for such compensation which would ordinarily have accrued during the period of noncompliance. Council may redistrict the City at any more frequent intervals as it may deem appropriate based upon any other such more timely information as may become available.

SECTION 2.105 QUALIFICATIONS OF COUNCILMEN.

All Councilmen shall be citizens of the United States and qualified electors of the City, and shall not hold, during their terms of office, any other public office or position nor be members of any political executive committee; provided, however, that a notary public, member of the military or naval forces or public school or college employee shall not be deemed to hold a public office or position within the meaning of this section. Each Councilman shall have been a resident of the City for at least two years immediately preceding his election and shall, at the time of his announcement for office and during his term of office, reside within the district from which elected or appointed to represent; provided, however, that no redistricting of the City shall effect the term of any incumbent Councilman during his then existing term of office.

SECTION 2.106 ORGANIZATION OF THE COUNCIL; OFFICERS; RULES; EMPLOYEES.

(1) The Council shall meet in the Council chamber at the City Hall for organization at 7:30 p.m. on the Tuesday next following the date its members assume office, at which time it shall elect one of its members as president and one of its other members as vice president, both of whom shall serve at the pleasure of the Council. The president shall be the presiding officer and shall, together with all other Councilmen, have the right to vote in the Council at all times, except when serving as acting Mayor. In the event of the president's absence or disability, or disqualification to act because of his serving as acting Mayor, the vice president shall act as President. A majority of the total qualified and acting number of Councilmen shall constitute a quorum.

(2) The Council shall determine and adopt its own rules governing its officers and employees, for the organization of committees and respecting the transaction of its business.

(3) The Council shall meet regularly at such times as may be prescribed by its rules, but not less frequently than twice each month. Special meetings may be called at any time, upon reasonable notice, by the Mayor or the president of Council and shall be so called by the President upon request of a majority of all members of the Council. The requirement of reasonable notice, as mentioned herein, may be fulfilled by delivering a written notice of the time and place of the special meeting containing a brief statement of the purpose of the meeting in the method provided by law for the institution of a civil action within 12 hours of the time set for the meeting, or by such other method as Council may by ordinance provide.

CHAPTER 2. COUNCIL PROCEDURE

SECTION 2.200 PROCEDURE RESPECTING ADOPTION OF ORDINANCES.

Every act of the Council which is to become law shall be by ordinance and shall begin with the enacting clause, "The Council of the City of Parkersburg hereby ordains:". The enactment of ordinances shall be performed in the manner provided in W. Va. Code, §8-11-4 (Acts 1969), except as otherwise herein provided.

After the first reading, by title or in full, and the consideration of any amendments, the question shall be: "Shall the ordinance be advanced to second reading?". If the question shall be decided in the negative, it shall not again be put until the ordinance be read by title or in full again. If the question put is agreed to, the President shall order the ordinance to second reading. Except in those cases expressly exempted from second readings by subsection (d), Section 4, Article 11, Chapter 8 of the Code of West Virginia of 1931, as amended, the second reading of an ordinance shall be held not less than seven days after it is ordered to second reading. After second reading by title or otherwise, the question shall be on passage of the ordinance unless some other question takes precedence. (Amended 10-15-85.)

SECTION 2.201 SUBMISSION OF ORDINANCES TO MAYOR; VETO POWER.

Within ninety-six (96) hours after the adjournment of any Council meeting, the City Clerk shall present to the Mayor all duly certified ordinances and resolutions adopted at the meeting. Such ordinances or resolutions so presented shall be certified by a duly appointed member of Council within forty-eight (48) hours from adjournment of the meeting wherein the same was passed. The Mayor, within seven days of receipt of an ordinance or resolution, shall return it to the City Clerk with or without his signature, or with his veto. If the ordinance or resolution is signed, it shall become operative at noon the seventh calendar day after it is presented to the Mayor. If the ordinance is disapproved by veto, the Mayor shall attach thereto a written statement explaining the reasons for his veto. Ordinances or resolutions vetoed by the Mayor shall be presented by the City Clerk to Council for consideration at its next regular meeting or a special meeting if consideration of the veto is included in the call therefor, and should the Council then or thereafter adopt the ordinance or resolution by an affirmative vote of at least two-thirds of all its members, it shall become operative upon the date specified by Council, but in no event less than fifteen days after the

date of final passage; and if no operative date is so specified, it shall become operative at noon on the fifteenth calendar day after the date of final passage. The Mayor's veto power shall extend to disapproving or reducing individual appropriation items in the budget or any ordinance or resolution, except appropriations or resolutions for auditing or investigating any part of the executive branch of the City government. (Amended 10-15-8

SECTION 2.202 MAYOR OR REPRESENTATIVE SHALL ATTEND COUNCIL MEETING
The Mayor or his designated representative shall attend any meeting of the Council and may attend any meeting of its committees and may express his views, orally or in writing, on matters pending before the Council; but he shall have no right to introduce any motion, resolution, or ordinance, or amendments thereof, nor to vote thereon.

SECTION 2.203 COUNCIL MEETINGS TO BE PUBLIC.
The meetings of Council shall be open to the public. Upon affirmation by a majority vote of the members present, Council may declare an Executive Session upon any stated ground provided by law. Attendance at such Executive Session shall be limited to members of Council and those persons invited by an affirmation of a majority vote of those Council members present. (Amended 10-15-85.)

SECTION 2.204 COUNCIL TO BE THE JUDGE OF QUALIFICATIONS OF ITS MEMBERS.
The Council shall be the judge of the election and qualification of its members, consistent with the provisions of this Charter and general law, and for such purpose shall have the power to subpoena witnesses and require the production of records; but the decision of Council in any such case shall be subject to review by the courts.

SECTION 2.205 CREATION OF DEPARTMENTS OR OFFICES; CHANGE IN DUTIES.
Council by ordinance may create, change and abolish offices, departments or agencies, other than the offices, departments and agencies established by this Charter. Either Council or the Mayor may assign additional function or duties to offices, departments or agencies established by Council or by this Charter, but may not discontinue or assign to any other office, department or agency any function or duty assigned by this Charter to a particular office, department or agency.

SECTION 2.206 VACANCIES IN COUNCIL.
(1) If a councilman be convicted of treason, any felony or bribery in any election, before any court, in or out of this state; is removed from office under the provisions of general law; or ceases to possess or fulfill any of the qualifications of a councilman as required by Section 2.105 of this Charter; or becomes physically or mentally incapacitated to the extent that he is unable to properly perform the functions of the office, his office shall become vacant at the declaration of Council. If a councilman absents himself from five (5) consecutive regular meetings of Council without approval of Council expressed in its official minutes, such absence shall constitute neglect of duty and upon declaration of Council a vacancy may be declared.

(2) A vacancy occurring in the office of any Councilman shall be filled as follows:

(a) If the unexpired term is less than one year, the remaining members of Council shall select a citizen with requisite qualifications from among a list of three such persons whose names are submitted to Council by the Municipal executive committee of the party represented by the vacating Councilman. Should the appropriate executive committee fail to submit the names of its three candidates within fourteen days after the occurrence of the vacancy, Council shall fill the vacancy without such recommendation with a person of requisite qualifications without regard to party affiliation. Should Council fail to fill any vacancy within thirty days after its occurrence, the Mayor shall appoint a person with requisite qualifications to fill the vacancy for the unexpired term.

(b) If the unexpired term is for one year or more, the vacancy shall be filled by special election, to be called by Council within ten days, and to be held within sixty days, after the occurrence of the vacancy, at which time the electors of the district in the representation of which the vacancy exists shall elect a person with requisite qualifications to fill the vacancy for the remainder of the unexpired term; provided, however, that if any special or general election is to be held in the City after thirty days and within six months after the occurrence of the vacancy, then the election to fill the vacancy shall be held in conjunction therewith. Certificates of candidacy, duly filed within the time limit ordained by Council, shall be deemed nominations for the purpose of such election.
(Amended 10-15-85.)

SECTION 2.207 COMPENSATION.

Councilmen shall be paid an annual salary, to be fixed by ordinance and to be paid in periodic installments, provided: No councilman shall receive an increase in compensation during his term of office as councilman; Council, by ordinance, may provide additional annual compensation to be paid in periodic installments to the President of Council, which compensation shall not be increased during the President of Council's term of office as President. (Amended 10-15-85.)

SECTION 2.208 CODIFICATION OF ORDINANCES.

(1) The Council shall, within three years of the effective date of this Charter and at least every ten years thereafter, cause to be prepared a code with an adequate index containing all of the ordinances of the City of general application which are appropriate for continuation as law. Such code may be prepared by the City Attorney, or Council may contract for its preparation by professional persons or by organizations experienced in the revision and codification of ordinances or statutes.

(2) When the code, or any general revision of the whole or part thereof, shall have been prepared, the Council shall cause copies of the same to be prepared and made available for public distribution. No ordinance approving such code or revision shall be adopted until ninety days have elapsed following the date on which the Council shall have noted in the official journal the availability of copies of such proposed code to the public, nor until compliance with all applicable State laws. The code and general revisions of the whole or parts thereof need not be printed in the official journal, but the Council shall cause the code or revisions to be published and distributed.

(3) All ordinances of general applications, adopted after the approval of the code, shall be adopted as amendments to the Code shall indicate the section numbers to be assigned to the text of such ordinances in the code and shall be indexed accordingly.

(4) Until such code is prepared, adopted and distributed, the City Clerk shall make available upon request to any person requesting it, at a cost to be fixed by Council, copies of all effective City ordinances and all ordinances which may be subsequently adopted.

(5) Council shall provide on or before March 31 of each year for the preparation, publication and sale to the general public of an annual collation of all changes in the City Code. Council shall immediately upon adoption of this paragraph, provide for the collation of all rules and regulations of the City then in force, their publication and sale to the public. Thereafter Council shall provide annually for the collation of all changes in and deletions to such rules and regulations during the prior year and the publication and sale of separate parts of such rules and regulations to the general public in such parts and portions, by subject matter as Council shall determine.
(Amended 10-15-85.)

CHAPTER 3. INVESTIGATIONS BY COUNCIL

SECTION 2.300 INVESTIGATIONS; POWER TO CONDUCT.

The Council shall have the power to conduct investigations of:

a) The operation of any office, department, agency or board administering the affairs of the City.

b) Any subject upon which it may legislate.

SECTION 2.301 POWER TO ADMINISTER OATHS, SUBPOENA WITNESSES AND COMPEL PRODUCTION OF RECORDS.

In conducting investigations, the Council shall have the right to administer oaths, subpoena witnesses and compel the production of books and papers pertinent thereto.

ARTICLE III
EXECUTIVE BRANCH

SECTION 3.100 POWERS AND DUTIES OF MAYOR.

The Mayor shall:

1) Be the chief executive officer of the City and exercise all the powers and perform all the duties vested in or imposed upon him by this Charter, ordinance of Council, general law or fairly implied in order to carry out the functions of his office in the best interests of the citizens of the City;

2) Exercise, directly or through his representative, supervision over all other executive and administrative work of the City and provide for the coordination of administrative activities;

3) Report to Council at least annually upon the state of the City and may recommend to Council from time to time such measures as the Mayor deems to be in the best interests of the City and its inhabitants;

4) Appoint City officers and employees as provided by law, this Charter or ordinance and may, except where prohibited or otherwise provided by law, this Charter, ordinance or duly adopted merit or civil service systems, remove any City officer or employee at his pleasure, whether such officer or employee was appointed by the Mayor with or without the approval of Council; and

5) Except as otherwise provided by general law, appoint members of independent boards or commissions of the City, which appointments shall be subject to the approval of Council.

SECTION 3.101 ELECTION AND TERM OF MAYOR.

The electors of the City shall elect a Mayor from the City at large in the manner provided in this Charter, to serve for a term of four years. No person who shall have been elected for three full consecutive terms as Mayor shall be eligible to succeed himself in that office; and the Mayor shall not during his term of office hold any other public office or position as defined in Section 2.105 of Article II hereof.

SECTION 3.102 QUALIFICATIONS OF MAYOR.

The Mayor shall have been a resident of the City for at least two years preceeding his election, shall be a citizen of the United States and a qualified elector of the City, shall be at least twenty-five years of age at the time of his election, and shall remain a resident of the City during his term of office.

SECTION 3.103 ACTING MAYOR.

Pending the selection of a Mayor to fill a vacancy or in case of the Mayor's temporary absence or disability, the Mayor shall, by order delivered to the City Clerk, appoint an acting Mayor; or in the event the Mayor fails to designate such a person, the head of the Department of Finance shall temporarily act as Mayor; or if such department head be unable to act, Council shall appoint an acting Mayor. In any event, the person so appointed or designated shall, at the time of his appointment or designation, be an officer of the City, and shall not receive additional compensation for serving as acting Mayor.

SECTION 3.104 VACANCY IN OFFICE.

A vacancy in the office of Mayor, occurring for any reason, shall be filled in the same manner as that provided for filling vacancies in Council, except that in the event Council should fail to fill a short term vacancy within thirty days after its occurrence, the Governor of the State may fill the vacancy with a person possessing the requisite qualifications.

SECTION 3.105 COMPENSATION OF THE MAYOR.

Until otherwise fixed by ordinance, the Mayor shall receive a salary based upon the sum of $15,000.00 per year.

ARTICLE IV
ADMINISTRATIVE DEPARTMENTS

CHAPTER 1. PERSONNEL SYSTEM

SECTION 4.100 MERIT SYSTEM.

Appointments and promotions in the administrative service of the City shall be made according to merit and fitness; and no person in the employ of the City or seeking employment with the City shall be appointed, promoted, reduced, removed or in any way favored or discriminated against because of his race or his religious opinion or affiliations; provided, however, that Council may, by appropriate resolution or ordinance, require all employees of the City to take the oath prescribed in Section 4.102 of this article.

SECTION 4.101 CIVIL SERVICE.

Council may provide by ordinance for a classified civil service or merit system for all or any class of City employees.

SECTION 4.102 OATH, QUALIFICATIONS.

Each member of Council, the Mayor, the City Clerk and each director or chief of a City office, department or agency, including the Judge of the Municipal Court and the City Attorney, shall, before entering upon his duties, take and subscribe to the following oath

affirmation, to be filed and kept in the office of the City Clerk: "I solemnly swear
affirm) that I will support the Constitution of the United States of America and the
stitution of the State of West Virginia, and that I will faithfully discharge the duties
to the best of my skill and judgment". When an
officer or employee of the City shall have filed such oath, together with the certificate
the officer administering it, with the City Clerk and shall have given bond as required
law, he shall be considered as having qualified for the position to which he was elected
appointed; provided, however, that if any person so elected or appointed shall not
qualify in the manner herein prescribed within 20 days after he shall have been officially
declared elected or appointed thereto, said position shall by reason thereof become
vacant.

SECTION 4.103 PERSONNEL POLICY.

Except as otherwise provided by general law or this Charter:

1) Council shall fix the salaries of the City employees and officers and may by ordinance define the duties of any City officer or employee. Neither Council nor any member thereof shall direct or in any manner interfere with or obstruct the appointment or removal of any City employee except an employee whom Council is authorized to employ and remove under the provisions of this Charter or general law. Except for the purpose of inquiry, Council and its members shall deal with the administrative service solely through the Mayor; and neither Council nor any member thereof shall give orders to any subordinates of the Mayor either publicly or privately. Violation of the provisions of this section by any Councilman shall constitute official misconduct. Nothing herein contained, however, shall prohibit any Councilman from bringing to the attention of the Mayor any facts or circumstances which may indicate misconduct or deficiency on the part of any personnel.

2) The Mayor shall cause to be prepared, and from time to time reviewed and revised, personnel rules which shall be considered by Council and adopted as proposed, or amended by Council and adopted, as in the case of an ordinance, or referred to the Mayor for additional study and reconsideration. The rules shall provide:
   (a) For the classification of all City positions based on the duties, authority and responsibility of each position with adequate provision for reclassification of any position whenever warranted;
   (b) Methods for determining the merit and fitness of candidates for appointment or promotion;
   (c) The hours of work, attendance regulations and provisions for sick and vacation leave;
   (d) The policies and procedures governing persons holding provisional appointments;
   (e) The policies and procedures governing relationships with employee organizations;
   (f) The policies regarding in-service training programs;
   (g) Grievance procedures, including procedures for the hearing of grievances, and reduction in force and removal of employees; and
   (h) Any other practices and procedures necessary to the administration of the City personnel system.

(3) Whenever it is deemed necessary, except as otherwise provided with respect to provisional appointments, the officer or body having authority to appoint an officer or employee may appoint a temporary officer or employee, which such temporary appointment shall not extend beyond a term of 60 days.

SECTION 4.104 EMPLOYEES' RETIREMENT AND BENEFIT FUND.

Council may by ordinance establish and provide for the maintenance of any employees' retirement and benefit fund in accordance with general law; provided, however, that, until amended, repealed or re-enacted, all existing ordinances concerning pensions and pension funds shall continue in full force and effect; and nothing herein contained shall in any way affect the continuation or validity of any pensions already being paid by the City.

SECTION 4.105 RESTRICTIONS ON EMPLOYMENT.

No person who holds an elective public office shall, at the same time, be an employee or appointed officer of the City.

SECTION 4.106 PROHIBITIONS.

No person shall orally, by letter or otherwise, solicit, directly or indirectly, any assessment, subscription or contribution for any political purpose whatever from any person holding a position in the employ of the City; and no employee, except appointed administrative officers, of the City shall take any active part in the management or promotion of any political party or political campaign. Any person who, by himself or with others, willfully violates any of the provisions of this section shall be subject to such punishment as Council may by ordinance prescribe; and such person shall, for a period of five years, be ineligible for any Municipal appointment or employment; and, if he be an officer, other than a Councilman, or an employee of the City at the time of such violation, he shall immediately forfeit the office or position he holds; and such violation by a Councilman shall constitute official misconduct.

SECTION 4.107 APPOINTMENT, QUALIFICATIONS, REMOVAL AND DUTIES OF PERSONNEL DIRECTOR.

There shall be a Personnel Director, appointed by the Mayor, with the approval of Council, for a term not to extend beyond the term of the Mayor making such appointment, and subject to removal by the Mayor.

Each Personnel Director appointed after the effective date of this paragraph shall live and remain a resident of the City. The Personnel Director shall perform such duties as may be prescribed by ordinance and such other duties, not inconsistent with the ordinances of the City, as the Mayor shall direct. (Enacted 10-15-85.)

CHAPTER 2. DEPARTMENT OF PUBLIC WORKS

SECTION 4.200 DIRECTOR OF PUBLIC WORKS, APPOINTMENT.

There shall be a Department of Public Works, the head of which shall be the Director of Public Works, who shall be appointed by the Mayor.

SECTION 4.201 DIRECTOR OF PUBLIC WORKS, QUALIFICATIONS.

The Director of Public Works shall be a person of proved executive and administrative ability and shall reside in the City during his period of employment.

SECTION 4.202 DIRECTOR OF PUBLIC WORKS, POWERS AND DUTIES.

Under the supervision, direction and control of the Mayor, the Director of Public Works shall:

(1) Supervise construction, repair and maintenance of all streets, alleys, sidewalks and other public ways.

(2) Subject to the provisions of Section 10.103 of this Charter, direct the operation, repair and maintenance of all Municipal public works including parks and places of recreation.

(3) Subject to general law, this Charter and ordinances, perform such other duties as may from time to time be assigned to him by the Mayor.

SECTION 4.203 BUILDING CODE, ZONING AND RELATED ORDINANCES.
With the assistance of the City Engineer, as hereinafter provided, the Department of Public Works shall issue permits for and conduct inspections of buildings, building construction, plumbing, electrical, elevator and other building installations, and enforce the zoning ordinances of the City of Parkersburg and any similar or related land-use ordinances or laws.

SECTION 4.204 CITY ENGINEER.
Within the Department of Public Works, there shall be a City Engineer who shall be appointed by the Mayor.

SECTION 4.205 QUALIFICATIONS OF CITY ENGINEER.
The City Engineer shall be a professional engineer registered by the State of West Virginia and shall reside in the City during his period of employment.

SECTION 4.206 POWERS AND DUTIES OF THE CITY ENGINEER.
Under the supervision, direction and control of his superiors, the City Engineer shall:

(1) Act as engineering advisor for the Mayor, Council and Municipal agencies, commissions and boards unless otherwise provided by law or ordinance;
(2) Provide the engineering services for the City in the construction, purchase and maintenance of its facilities, public works, and equipment, except such services for the City as are performed by independent contractors or assigned to other offices, departments or agencies of the City, and, to the extent that any such services are performed by independent contractors, to inspect and certify, prior to acceptance and payment, the satisfactory performance of all work done for the City by independent contractors.
(3) Supervise and regulate the issuance of permits for and the inspection of buildings, building construction, electrical, plumbing, elevator and other building installations; and
(4) Maintain, as custodian for the City, all records, plats, maps, specifications, and similar documents pertaining to the public works, property, improvements and streets, and to furnish upon request at such fee as may hereafter be established by ordinance, copies, certified or not, of any such material held as custodian.

CHAPTER 3. DEPARTMENT OF FINANCE

SECTION 4.300 DIRECTOR OF FINANCE, APPOINTMENT AND QUALIFICATIONS.
There shall be a Department of Finance, the head of which, to be appointed by the Mayor, shall be the Director of Finance.

Each Director of Finance appointed after the effective date of this paragraph shall be a resident of the City. The Finance Director shall have knowledge of Municipal accounting and taxation and shall have had experience in budgeting and financial control. (Amended 10-15-85.)

SECTION 4.301 DIRECTOR OF FINANCE, POWERS AND DUTIES. Under the direction and control of the Mayor and subject to the provisions of this Charter, the Director of Finance shall have charge of and be responsible for the proper administration of the financial affairs of the City; and, to that end, he shall have authority and shall be required to:

1) Collect or provide for the collection of all taxes, special assessments, license fees and other revenues of the City, except as otherwise provided by general law, and receive all other moneys payable to the City;
2) Maintain custody of all public funds belonging to or under the control of the City or any office, department or agency thereof and deposit such funds in such depositories as may be designated by resolution of Council, or, if no such resolution be adopted, in such depositories as may be designated by the Mayor;
3) Supervise and be responsible for the disbursement of all moneys and control all expenditures to insure that budget appropriations are not exceeded; and, to that end, no proposed expenditures shall be made unless the same shall have been approved by the Director of Finance and shall be accompanied by a certification by the Director of Finance that there is available for the purpose an unencumbered balance and unexpended or potentially available funds in the proper item of appropriation;
4) Maintain a general accounting system for the City and each of its offices, department and agencies; keep books for and exercise financial budgetary control over each office, department and agency; keep separate accounts for the items of appropriation contained in the City budget, each of which accounts shall show the amount of the appropriation, the amounts paid therefrom, the unpaid obligations against it and the unencumbered balance; and require reports of receipts and disbursements from each office, department and agency of the City to be made daily or at such intervals as he may deem expedient;
5) Except as otherwise provided by general law, maintain custody of all investments and invested funds of the City, or in possession of the City in a fiduciary capacity, and of all bonds and notes of the City, and receive and deliver City bonds and notes for transfer, registration or exchange;
6) Supervise and be responsible for all special assessments for the City and give such notice of special assessments as may be required by law;
7) Be responsible for the preparation of all Municipal bond issues; and, in connection therewith, he shall have the authority, with the permission of the Mayor, to employ independent financial, engineering and legal counsel;
8) Render such assistance to the Mayor as the Mayor may require in the preparation of monthly and yearly financial reports and in the preparation of the annual budget;
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 Mayor not inconsistent with this Charter or with general law; and
10) Conduct or provide for the conduct of a complete and accurate annual physical inventory of all City owned equipment of the initial purchase value of $100.00 or more; provided, however, that Council may by ordinance provide for the increase or decrease of the purchase value amount herein specified.

SECTION 4.302 ACCOUNTING SUPERVISION AND CONTROL.
The Director of Finance shall have power and shall be required to:

(1) Prescribe the forms of receipt, requisitions, vouchers, bills or claims to be used by the offices, departments and agencies of the City;

(2) Examine and approve all contracts and other documents by which the City incurs financial obligations, having previously ascertained that moneys have been appropriated and alloted and will be available when the obligations shall become due and payable;

(3) Audit and approve before payment all purchase orders, bills, invoices, payrolls and other evidence of claims, demands, or charges against the City and, with the advice of the City Attorney, determine the regularity, legality and correctness of such claims, demands or charges; and

(4) Inspect and audit any accounts or records of financial transactions which may be maintained in any office, department or agency of the City apart from or subsidiary to the accounts kept in the office of the Director of Finance.

SECTION 4.303 FINES AND FEES SHALL BE PAID TO DEPARTMENT OF FINANCE.
All fines and fees received by an officer or employee shall be paid to the Department of Finance daily, or at such intervals as Council may prescribe.

SECTION 4.304 DIRECTOR OF FINANCE TO PERFORM DUTIES OF CITY CLERK.
(EDITOR'S NOTE: The provisions of Section 4.304 were repealed on October 15, 1985.)

CHAPTER 4. PURCHASING DEPARTMENT

SECTION 4.400 DEPARTMENT OF PURCHASES.
There shall be established a Department of Purchases, the head of which shall be the City Purchasing Agent, who shall be appointed by the Mayor. Each Purchasing Agent appointed after the effective date of this paragraph shall be a resident of the City. (Amended 10-15-85.)

SECTION 4.401 POWERS AND DUTIES.
The Purchasing Agent, pursuant to rules and regulations established by ordinance, shall contract for and purchase all supplies, materials, equipment and service required for each office, department or agency of the City. The Purchasing Agent shall also have power and shall be required to:

(1) Obtain and endorse specifications with respect to supplies, materials and equipment required by the City;

(2) Inspect or supervise the inspection of all deliveries of supplies, materials and equipment to determine their quality, quantity and conformity with specifications and provide for the distribution thereof to the appropriate office, department or agency;

(3) Have charge of general storerooms and warehouses; and

(4) Transfer to or between offices, departments or agencies or sell surplus, obsolete or unused supplies, materials and equipment.

SECTION 4.402 COMPETITIVE BIDDING.
Before the City Purchasing Agent shall make any purchase of or contract for supplies, materials or equipment, he shall give ample opportunity for competitive bidding, under such general rules and regulations, and with such general exceptions, as Council may prescribe; provided, however, that Council shall not except particular contracts, purchases or sales from the requirement of competitive bidding.

CHAPTER 5. CITY ATTORNEY

SECTION 4.500 QUALIFICATIONS, SELECTION AND TENURE.
There shall be a City Attorney who shall possess the same qualifications as those required of the Municipal Judge. The City Attorney shall be appointed by the Mayor with the approval of Council to serve for a term not to extend beyond the term of the Mayor appointing him.

SECTION 4.501 POWERS AND DUTIES.
The City Attorney shall perform all duties and exercise all powers which shall be imposed or conferred upon him by ordinance or resolution of Council; and, except as otherwise provided in this Charter, he shall:

(1) Act as legal adviser and attorney for Council, the Mayor, Municipal administrative boards or commissions for which legal counsel is not otherwise provided and any other Municipal officers or employees in the performance of their official duties; and upon request he shall furnish Council, the Mayor and such administrative boards or commissions a written opinion upon any question of law concerning any affairs of the City;

(2) Except as other counsel are provided by competent authority, prosecute all actions for and defend all actions against the City; and prosecute all cases brought before or appealed from the Municipal Court, and perform the same duties so far as they are applicable thereto as are required by law of prosecuting attorneys; and

(3) Maintain and preserve as permanent records of the City Attorney's office all legal files, records and papers pertaining to the business of the office and the legal affairs of the City for which he is responsible.

SECTION 4.502 ASSISTANT CITY ATTORNEYS.
The City Attorney may recommend, and the Mayor may appoint, one or more lawyers to assist the City Attorney in the discharge of his regular official duties. Such Assistant City Attorney or Attorneys shall take the same oath and possess the same qualifications as the City Attorney, and, under the direction and supervision of the City Attorney, assist the City Attorney in his duties.

SECTION 4.503 SPECIAL COUNSEL.
Whenever the exigencies of the business of the City require such action, the Mayor shall have the right to employ special counsel to assist the City Attorney.

ARTICLE V
FINANCIAL PROCEDURES

SECTION 5.100 FISCAL YEAR.
The fiscal year of the City shall begin on the first day of July of each year and end on the last day of June of the following calendar year.

SECTION 5.101 SUBMISSION OF BUDGET AND BUDGET MESSAGE.
On or before the 15th day of February of each year, the Mayor shall submit to the Council a budget for the ensuing fiscal year and an accompanying message.

SECTION 5.102 BUDGET MESSAGE.
The Mayor's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any Major changes from the current year in financial policies, expenditures and revenues, together with the reason for such changes, summarize the City's debt position and include such other material as the Mayor deems desirable.

SECTION 5.103 BUDGET.
The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this Charter, shall be in such form and contain information as the Mayor deems desirable or the Council may require. In organizing the budget the Mayor shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity, and object. It shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections:

(1) Proposed expenditures for current operations during the ensuing fiscal year, detailed by offices, departments and agencies in terms of their respective work programs, and the method of financing such expenditures;
(2) Proposed capital expenditures during the ensuing fiscal year, detailed by offices, departments and agencies when practicable, and the proposed method of financing each such capital expenditure; and
(3) Anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the City and the proposed method of its disposition. Subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.

Without respect to the net surplus or deficit of any utility operated by the City, the total of proposed expenditures shall not exceed the total of estimated income.

SECTION 5.104 CAPITAL PROGRAM.

(1) Submission to Council. The Mayor shall prepare and submit to the Council a five-year capital program at least three months prior to the final date for submission of the budget.

(2) Contents. The capital program shall include:

(a) A clear general summary of its contents;

(b) A list of all capital improvements which are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;

(c) Cost estimates, method of financing and recommended time schedules for each such improvements; and

(d) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.

SECTION 5.105 COUNCIL ACTION ON BUDGET.

(1) Notice and Hearing. The Council shall publish in one or more newsapers of general circulation in the City the general summary of the budget and a notice stating:

(a) The times and places where copies of the message and budget are available for inspection by the public, and

(b) The time and place, not less than two weeks after such publication, for a public hearing on the budget.

(2) Amendment Before Adoption. After the public hearing, the Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit; provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income.

(3) Adoption. The Council shall adopt the budget on or before the date it enters its order adopting the statutory levy estimate and laying the levies, but in any event not later than the 31st day of May in the fiscal year currently ending. Adoption of the budget shall constitute appropriations of the amounts specified herein as expenditures from the funds indicated.

Adoption shall be by resolution. The levy order and State required budget form shall be adopted by separate resolutions except that State required estimates and budget form may be approved in the same resolution by which the City budget is adopted. (Amended 10-15-85.)

SECTION 5.106 COUNCIL ACTION ON CAPITAL PROGRAM; NOTICE AND HEARING.

The Council shall publish in one or more newspapers of general circulation in the City a general summary of the capital program and a notice stating:

(1) The time and place where copies of the capital program are available for inspection by the public; and

(2) The time and place, not less than two weeks after such publication, for a public hearing on the capital program.

The capital program shall be adopted by Council by separate resolution or as part of the budget resolution. Appropriations for the current fiscal year contained in the capital program may not be exceeded or diverted to purposes other than those provided in the capital program budget except by amendment to the budget. (Amended 10-15-85.)

SECTION 5.107 PUBLIC RECORDS.

Copies of the budget and the capital program as adopted shall be public records and shall be made available to the public at suitable places in the City.

SECTION 5.108 ADMINISTRATION OF BUDGET.

At such time as the Mayor shall specify, each department, office or agency shall submit work programs for the ensuing fiscal year showing the requested allotments of its appropriation by periods within the year. The Mayor shall review and authorize such allotments with or without revision as early as possible in the fiscal year. He may revise such allotments during the year if he deems it desirable and shall revise them to accord with any supplemental, emergency, reduced or transferred appropriations, subject to any limitations imposed by general law.

SECTION 5.109 FISCAL PLANNING COMMISSION; COUNCIL AUTHORIZED TO CREATE.

Council shall consider and may adopt an ordinance creating a fiscal planning and reporting commission.

ARTICLE VI
MUNICIPAL COURT

SECTION 6.100 JURISDICTION.

There shall be a Municipal Court for the City. Except as expressly prohibited by general law, the Municipal Court shall have all the inherent powers of the magistrate court with respect to proceedings within its jurisdictions. (Amended 10-15-85.)

SECTION 6.101 MUNICIPAL JUDGE, QUALIFICATIONS.

The Judge of the Parkersburg Municipal Court shall be an attorney licensed to practice law in the State of West Virginia, a resident and qualified voter of the City and duly qualified to practice before the Circuit Court of Wood County.

SECTION 6.102 MUNICIPAL COURT JUDGE, METHOD OF SELECTION, TERM OF OFFICE.

The Judge of the Municipal Court shall be appointed by the Mayor and approved by Council for a term which shall not extend beyond the term of the Council by which he is approved; and during his term he shall not be removed except for cause under the provisions of general law; provided, however, that should the Municipal Judge become physically or mentally incapacitated to the extent that, in the opinion of the Mayor, he is unable to perform properly the functions of his office, the Mayor may declare the office vacant.

SECTION 6.103 ACTING MUNICIPAL JUDGE.

In the event of the temporary absence of the Municipal Judge from his duties, the Mayor shall appoint a person similarly qualified to serve as Municipal Judge during such absence without the necessity of Council approval.

SECTION 6.104 MUNICIPAL JUDGE, POWERS AND DUTIES.

The Judge of the Municipal Court shall preside over the Municipal Court and, with respect to offenses over which the Municipal Court has jurisdiction, he shall have all the powers and duties which a justice of the peace has with regard to violations of the criminal laws of the State of West Virginia. The Municipal Judge shall have power to issue warrants upon complaint under oath of any person or officer for the arrest of anyone charged with any offense in the jurisdiction of the Court or for search in connection within the violation of a Municipal ordinance. The Municipal Judge shall try and determine all cases over which the Court has jurisdiction and, within the limits prescribed by ordinance or by general law, shall have the power to punish by fine or imprisonment, or both. The Municipal Judge shall have power to summons persons or subpoena witnesses for the trial of any case before him, to compel the attendance of police officers of the City, to require the Chief of Police to enforce all judgments 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 or for the enforcement of penalties fixed by any ordinance or law shall, so far as applicable, conform to the provisions of general law governing civil proceedings before a justice of the peace of the State of West Virginia. The Municipal Judge shall have such other powers and duties which Council may by ordinance provide pursuant to general law.

SECTION 6.105 MUNICIPAL COURT, PROCESS.

All warrants and other processes and orders of the Municipal Court shall be signed by the Municipal Judge and may be directed to the Chief of Police, to be executed by him or by one of his subordinates at any place within Wood County. The officer executing any such process or order shall have the same liability as a Sheriff of the State of West Virginia in the performance of like services.

SECTION 6.106 FINES AND FEES.

All fines and fees received by the Municipal Court or the Judge thereof shall be paid to the Department of Finance to be disposed of as prescribed by ordinance or by general law.

ARTICLE VII
NOMINATIONS AND ELECTIONS

SECTION 7.100 GENERAL ELECTION LAWS TO CONTROL; TERMS OF OFFICERS.

Except as otherwise herein provided, the provisions of general law with respect to primary and general elections, so far as they may be applicable, shall govern the method of nominating and electing the Mayor and members of Council, whose terms of office shall be for a period of four years, and of electing the members of the Municipal executive committees, whose terms shall be for the same period.

SECTION 7.101 PRIMARY ELECTIONS; TIME, PLACE AND CERTIFICATES OF CANDIDACY.

Except as otherwise herein provided respecting the first officers to be elected under this Charter, primary elections shall be held at the voting places in each of the election districts of the City for the purpose of nominating candidates for the ensuing general Municipal election and of electing members of political party Municipal executive committees, on the first Tuesday after the second Monday in October in the year 1973 and in each fourth year thereafter.

In the year one thousand nine hundred eighty-five and each fourth year thereafter the primary election shall be held on the first Tuesday after the second Monday in September.

Any eligible person desiring such nomination for any Municipal elective office (or election to the office of member of any political party executive committee) shall file with the City Clerk a certificate declaring himself to be a candidate for the nomination for such office (or election as member of a party executive committed), which certificate must be received by the Clerk before midnight on the first day of August next preceding the primary election day, or, if mailed, shall be postmarked before that hour, and which certificate shall be in form or effect as follows:

"CERTIFICATE OF CANDIDACY

I, _____ hereby certify that I am a candidate for (the nomination for) (election to) the office of _____ to represent the _____ party, and desire my name printed on the official ballot of said party to be voted at the primary election to be held on the _____ day of _____, 19____; that I am a legally qualified voter of The City of Parkersburg, Wood County, West Virginia; that my residence is _____ in said City; that I am eligible to hold the said office; that I am a member of and affiliated with said political party; and that I am a candidate for said office in good faith.

_____
Candidate

Signed and acknowledged before me this _____ day of _____, 19_____.

_____
Notary Public in and for Wood County,
West Virginia"

(or some other officer qualified to administer oaths)

Every person who becomes a candidate for nomination for or election to office in any such primary election shall, at the time of filing such certificate of candidacy, pay a filing fee as follows:

(1) A candidate for Mayor shall pay a fee of $150.00, or the equivalent of one percent of the annual salary of the office of Mayor in effect at that time, whichever is greater;

(2) A candidate for the office of Councilman shall pay a fee of $10.00, unless Council by ordinance establishes a different amount; and

(3) A candidate for member of a party executive committee shall pay a fee of $1.00 unless Council by ordinance establishes a different amount.

(Amended 10-15-85.)

SECTION 7.102 TERMS OF MEMBERS OF EXECUTIVE COMMITTEES.

The terms of office of the members of Municipal executive committees elected hereunder shall begin upon the issuance of their certificates of election. The terms of all such committee members shall continue until their successors are elected and qualified. Until the first Municipal executive committees elected hereunder assume office, the members of the County executive committees, residing within the City, shall constitute the Municipal executive committees pro tem.

SECTION 7.103 GENERAL ELECTIONS; TIME AND PLACE.

Except as otherwise herein provided respecting the election of the first officers to be elected under this Charter, general elections for the offices of Mayor and members of Council shall be held at such voting places on the first Tuesday after the first Monday in November in the year 1973 and in each fourth year thereafter, the officers elected thereat to assume office on the first Monday in January of the year immediately following their election, the terms thereof to expire as soon as their successors are elected and qualified.

SECTION 7.104 FIRST OFFICERS UNDER THIS CHARTER; NOMINATIONS, ELECTION AND TERMS.

The first primary election under the provisions of this charter shall be held on Tuesday, July 14, 1970; and the first such general Municipal election shall be held on Tuesday, July 28, 1970, to elect officers, whose terms shall begin on August 17, 1970, and expire as soon after December 31, 1973, as their successors are elected and qualified. The appropriate certificates of candidacy for such first primary election shall be filed on or before July 6, 1970.

SECTION 7.105 CONTINUITY OF PRESENT GOVERNING BODY.

On and after the first day of July, 1970, the Municipal governing body, as then and theretofore constituted, and its administrative officers, shall continue to exercise the powers and duties given them by the Charter under which they were elected and appointed and shall, in addition thereto, exercise such powers and duties as are given to and imposed upon them by this Charter, expressly or impliedly, for conducting the first primary and general elections under this Charter. The members of said existing Municipal governing body shall so serve until the first officers elected under this Charter shall have been elected and qualified, at which time their terms shall end.

SECTION 7.106 COUNCIL TO PROVIDE FOR INDEPENDENT PARTY OR GROUP PARTICIPATION.

Council shall by ordinance provide a method for parties or groups which do not meet the requirements of law for classification as a political party to participate in the primary and general Municipal elections.

SECTION 7.107 MUNICIPAL PARTY EXECUTIVE COMMITTEES; HOW COMPOSED.

Each Municipal party executive committee shall be composed of one male and one female elected from each Municipal election district.

SECTION 7.108 COUNCIL TO CANVASS RETURNS.

Council as the governing body shall open, canvass, declare the winners and hear all election contests and decide all questions regarding the administration, holding of elections. The City Clerk shall be the Clerk of all such elections but shall be assisted by deputy clerks and ballot commissioners representative at least of the two political parties whose candidates for Mayor receive the highest number of votes in the last municipal election. (Enacted 10-15-85.)

ARTICLE VIII
INITIATIVE, REFERENDUM AND RECALL

SECTION 8.100 INITIATIVE.

The qualified voters of the City shall have power to propose ordinances to the Council and, if the Council fails to adopt an ordinance so proposed without any change in substance, to adopt or reject it at a City election; provided that such power shall not extend to the budget or capital program or any ordinance relating to appropriation of money, levy of taxes or salaries of City officers or employees.

SECTION 8.101 REFERENDUM.

The qualified voters of the City shall have power to require reconsideration by the Council of any adopted ordinance and, if the Council fails to repeal an ordinance so reconsidered, to approve or reject it at a City election; provided that such power shall not extend to the budget or capital program or any emergency ordinance or ordinance relating to appropriation of money, levy of taxes or salaries of City officers or employees.

SECTION 8.102 PETITIONS.

(1) Number of Signatures. Initiative and referendum petitions must be signed by qualified voters of the City equal in number to at least 15 percent of the total number of qualified voters registered to vote at the last regular (as distinguished from primary or special) City election.

(2) Form and Content. All papers of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall be executed in ink or indelible pencil in the handwriting of the signer and shall be followed by the address of the person signing. Petitions shall contain or have attached thereto throughout their circulation the full text of the ordinance proposed and shall cite by title the ordinance sought to be reconsidered.

(3) Affidavit of Circulator. Each paper of a petition shall have attached to it when filed an affidavit executed by the circulator thereof stating that he personally circulated the paper, the number of signatures thereon, that all the signatures were affixed in his presence, that he believes them to be the genuine signatures of the persons whose names they purport to be and that each signer had an opportunity before signing to read the full text of the ordinance proposed or sought to be reconsidered.

(4) Time for Filing Referendum Petitions. Except as may be otherwise provided by general law, referendum petitions must be filed within 30 days after adoption by the Council of the ordinance sought to be reconsidered.

SECTION 8.103 PROCEDURE.

(1) Filing Petitions. Any qualified voter or voters, or an attorney-at-law acting in their behalf, may file such petitions by delivering the assembled instrument to the City Clerk together with the affidavit of such voter or voters, stating the name or names of such voters as petitioners' committee and one address, of a voter or the attorney-at-law, to which all notices are to be sent, and setting out in full the proposed initiative ordinance or citing by title the ordinance sought to be reconsidered.

(2) Certificate of Clerk, Amendment. Within twenty days after the petition is filed, the City Clerk shall complete a certificate as to its sufficiency, specifying, if it is insufficient, the particulars wherein it is defective and shall promptly send a copy of the certificate to the petitioners' committee at the address so provided by certified mail. A petition certified insufficient for lack of the required number of valid signatures may be amended once if the petitioners' committee files a notice of intention to amend it with the Clerk within two days after receiving the copy of his certificate and files a supplemental petition upon additional papers within ten days after receiving the copy of such certificate. Such supplemental

petition shall comply with the requirements of Section 8.102(2) and (3); and within five days after it is filed, the Clerk shall complete a certificate as to the sufficiency of the petition as amended and promptly send a copy of such certificate to the petitioners' committee by certified mail as in the case of an original petition. If a petition or amended petition is certified sufficient, or if a petition or amended petition is certified insufficient and the petitioners' committee does not elect to amend or request Council review under subsection (3) of this section within the time required, the Clerk shall promptly present his certificate to the Council, and the certificate shall then be a final determination as to the sufficiency of the petition.

(3) Council Review. If a petition has been certified insufficient and the petitioners' committee does not file notice of intention to amend it or if an amended petition has been certified insufficient, the committee may, within two days after receiving the copy of such certificate, file a request that it be reviewed by the Council. The Council shall review the certificate at its next meeting following the filing of such request and approve or disapprove it, and the Council's determination shall then be a final determination as to the sufficiency of the petition.

(4) Court Review; New Petition. A final determination as to the sufficiency of a petition shall be subject to court review. A final determination of insufficiency, even if sustained upon court review, shall not prejudice the filing of a new petition for the same purpose, except in the case of referendum when the applicable time limit has expired.

SECTION 8.104 REFERENDUM PETITIONS; SUSPENSION OF EFFECT OF ORDINANCE. When a referendum petition is timely filed with the City Clerk, the ordinance sought to be reconsidered shall be suspended from taking effect. Such suspension shall terminate when:

(1) There is a final determination of insufficiency of the petition, or
(2) The petitioners' committee withdraws the petition, or
(3) The Council repeals the ordinance, or
(4) Upon final certification of the results of the City-wide vote favoring the ordinance.

SECTION 8.105 ACTION ON PETITIONS.

(1) Action by Council. When an initiative or referendum petition has been finally determined sufficient, the Council shall promptly consider the proposed initiative ordinance in the manner provided for the enactment of ordinances or reconsider the referred ordinance by voting its repeal. If the Council fails to adopt a proposed initiative ordinance without any change in substance within 60 days or fails to repeal the referred ordinance within 30 days after the date the petition was finally determined sufficient, it shall submit the proposed or referred ordinance to the voters of the City.

(2) Submission to Voters. The vote of the City on a proposed or referred ordinance shall be held not less than 30 days and not later than one year from the date of the final Council vote thereon. If no regular City election is to be held within the period prescribed in this subsection, the Council shall provide for a special election; otherwise the vote shall be held at the same time as such regular election,

except that the Council may in its discretion provide for a special election at an earlier date within the prescribed period. Copies of the proposed or referred ordinances shall be made available at the polls.

SECTION 8.106 RESULTS OF ELECTION.

(1) Initiative. If a majority of the qualified electors voting on a proposed initiative ordinance vote in its favor, it shall be considered adopted upon certification of the election results and shall be treated in all respects in the same manner as ordinances of the same kind adopted by the Council. If conflicting ordinances are approved at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict.

(2) Referendum. If a majority of the qualified electors voting on a referred ordinance vote against it, it shall be considered repealed upon certification of the election results.

SECTION 8.107. POWER OF RECALL.

The qualified voters shall have the power to recall the Mayor or any member of Council, whether elected by popular vote or selected to fill a vacancy, and may exercise such power by filing with the City Clerk a petition signed by qualified voters of the City equal in number to at least 20 percent of the total number of qualified voters registered to vote at the last regular City election. The petition shall be signed and verified in the manner required for initiative and referendum petitions, shall contain a demand for the removal of the subject officer or officers and shall contain a general statement of the reasons for which the removal is sought.

SECTION 8.108 ELECTION UNDER RECALL PETITION.

Thereafter, if the petition is certified as sufficient, in accordance with the procedures applicable to initiative and referendum petitions, Council shall cause a special election to be held in not less than 30 days nor more than 90 days from the date of such certification unless a general Municipal election shall occur within 120 days from such date. The published notice of such election shall contain the reasons for demanding the recall in not more than 200 words and a justification by the subject officer within the same limits; provided, however, that if the petition seeks to recall more than one officer, each may provide a justification of not more than 100 words. Ballots shall be in the following form:

"Shall _____ be removed (from the Council) (as Mayor) of The City of Parkersburg?

____ For the recall of _____

____ Against the recall of _____."

Upon certification of the results of the election, if a majority of those voting on the question have favored recall, the office of the officer so recalled shall be vacant.

SECTION 8.109 FILLING VACANCY CAUSED BY RECALL.

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

SECTION 8.110 LIMITATIONS ON RECALL.

No recall petition shall be filed against any officer within six months after he takes office, and no officer shall be subjected to more than one recall election during a term of office.

ARTICLE IX
SUCCESSION IN GOVERNMENT

SECTION 9.100. CONTINUITY OF ADMINISTRATIVE PERSONNEL AND OFFICES.

All persons holding administrative positions in the City government at the time this Charter takes effect shall continue in such positions and in the performance of their duties until dismissed or removed by the Mayor or other empowered authority. The powers conferred and the duties imposed upon any office, department or agency of the City by general law shall, if such office, department or agency be abolished by this Charter or under its authority, be thereafter exercised and discharged by the office, department or agency designated by Council unless otherwise provided in this Charter.

SECTION 9.101 CONTINUITY OF OFFICES, DEPARTMENTS OR AGENCIES.

Any office, department or agency provided for in this Charter with a name or with powers and duties the same or substantially the same as those of an office, department or agency heretofore existing shall be deemed to be a continuation of such heretofore existing office, department or agency. Any provision in any law, rule, regulation, contract, grant or other document relating to such heretofore existing office, department or agency shall, so far as not inconsistent with the provisions of this Charter, apply to such office, department or agency provided for by this Charter.

SECTION 9.102 TRANSFER OF RECORDS AND PROPERTY.

All records, property and equipment whatsoever of any office, department or agency or part thereof, all the powers and duties of which are assigned to any other office, department or agency by this Charter, shall be transferred and delivered to the office, department or agency to which such powers and duties are so assigned. If part of the powers and duties of any office, department or agency or part thereof are by this Charter assigned to another office, department or agency, all records, property and equipment relating exclusively thereto shall be transferred and delivered to the office, department or agency to which such powers and duties are so assigned.

SECTION 9.103. SUCCESSION IN INTEREST; PENDING ACTIONS AND PROCEEDINGS.

The City of Parkersburg, 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 interests of every kind and nature vested in or belonging to such Municipal corporation at the time this Charter becomes effective. No action or proceeding, civil or criminal, pending at the time this Charter takes effect, brought by or against the City or any office, department or agency or officer thereof, shall be affected or abated by the adoption of this Charter or by anything herein contained; and no such action or proceeding shall abate by reason of the fact that functions, powers and duties of any office, department, agency or officer party thereto may by or under this Charter be assigned or transferred to

another office, department, agency or officer, but in that event the same may be prosecuted or defended by the head of the office, department or agency to which such functions, powers and duties have been assigned or transferred by or under this Charter.

SECTION 9.104 EFFECT ON EXISTING LAW.

All existing ordinances and resolutions 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 repeal or modified by Council or other competent authority of the City. All ordinances, resolutions, 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 60 days and at the end of that period shall, to the extent of such inconsistency or conflict, be of no further force or effect.

ARTICLE X
GENERAL PROVISIONS

SECTION 10.100 CHIEF OF POLICE.

The Chief of Police shall be appointed by the Mayor with the approval of Council to serve for an indefinite term. The Chief of Police 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 Mayor, the Chief of Police shall be responsible for the supervision and administration of the Police Department and shall require of all police officers the proper discharge of their duties. He 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 the City ordinances and of general law to be apprehended and brought to trial before the Municipal Court or other proper tribunal. Under the direction of the Mayor, 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 Mayor not inconsistent with this Charter or with general law. The Chief of Police may be removed by the Mayor with the concurrence of a majority of Council or by a vote of at least two-thirds of the members of Council.

Each Chief of Police hereafter appointed shall be a resident of the City and, being a resident of the City, shall not remove his or her residence from the City during the term of such appointment. Council shall be the judge of the residence qualification of the Chief, who shall promptly report each change of residence to the Council.
(Amended 10-15-85.)

SECTION 10.101 CHIEF OF FIRE DEPARTMENT.

The Chief of the Fire Department shall be appointed by the Mayor with the approval of Council 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 Mayor, the Chief of the Fire Department shall be responsible for the supervision and administration of the Fire Department and shall require of all firemen the proper discharge of their duties. He shall make such inspection 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 Mayor, 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 Mayor not inconsistent with this Charter or general law. The Chief of the Fire Department may be removed by the Mayor with the concurrence of a majority of Council or by a vote of at least two-thirds of the members of Council.

Each Chief of the Fire Department hereafter appointed shall be a resident of the City and, being a resident of the City, shall not remove his or her residence from the City during the term of such appointment. Council shall be the judge of the residency qualification of the Chief who shall promptly report each change of residence to the Council. (Amended 10-15-85.)

SECTION 10.102 HOSPITALS.

As provided by general law, the City may own and operate a hospital or other health services, including Camden-Clark Memorial Hospital, by a board of trustees, who shall serve without compensation. Such hospital shall be operated as an entity separate from all other functions of the City and free from the operative control of Council or any executive officer or agency of the City, and under such regulations as said board may from time to time prescribe. The board shall have fifteen members, as presently constituted, with the same members and for the same terms, except that the Mayor, or his designee, from time to time, shall be an ex-officio member in the stead of a member of Council, as heretofore provided. Such board shall be otherwise self-perpetuating, but Council shall confirm or reject all persons nominated thereto by the board, as present terms expire or vacancies occur. Nothing herein contained shall be construed as prohibiting Council from providing for the operation of such facility by lease as authorized by general law; but any such lease shall contain such covenants as to reasonably assure nonprofit operation thereof in the public interest with right of termination in favor of the City in the event of breach.

SECTION 10.103 SANITARY BOARD; APPOINTMENT.

The Sanitary Board, as it is now established, shall be continued in effect, insofar as it complies with the provisions of general law; provided, however, that the Sanitary Board shall be composed of the Mayor, 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. Such Sanitary Board, so composed, shall continue in existence and operation only until such time as Council performs the duty required of it by Section 10.104 of this article.

SECTION 10.104 COMBINED WATERWORKS AND SEWERAGE SYSTEM.

Council shall, as soon as practicable, proceed under the provisions of the statute permitting it, W. Va. Code, §8-20 (Acts 1969), to combine the existing waterworks and sewerage systems into a single undertaking. Such combined waterworks and sewerage system shall be placed under the cognizance of the Director of Public Works for its operation, repair, maintenance and extension. From and after such action by Council, all the powers and duties of the existing Sanitary Board shall pass to and vest in the Director of Public Works; and said Sanitary Board shall thereafter be functus officio.

SECTION 10.105 BONDS.

Before entering upon the duties of their employment, the Mayor, the Director of Finance, the Purchasing Agent, the Judge of the Municipal Court and such other personnel of the City as Council may require so to do, shall give bond for the faithful performance of their duties, payable to the State of West Virginia in such amounts and with such corporate surety as may be approved by Council. Council may provide for obtaining a blanket bond covering all City employees, designating specific employees whose bond shall be in excess of the amount of the blanket bond. The premiums on such bond or bonds shall be paid by the City after it has been ascertained that the premiums are not in excess of the premium schedule filed by the bonding company with the Insurance Commissioner of West Virginia. All bonds shall be subject to approval of the City Attorney as to form and substance and, when so approved, shall be endorsed with his signature.

SECTION 10.106 SEPARABILITY CLAUSE.

If any article, section, subsection, paragraph, sentence or clause of this Charter is for any reason held invalid or unconstitutional, such holding shall not affect the validity, constitutionality or application of any other portion of this Charter.

SECTION 10.107 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 10.108 SUNDAYS AND LEGAL HOLIDAYS; SATURDAY COUNCIL PROCEEDINGS LAWFUL.

Whenever under the provisions of this Charter or any ordinance, rule, regulation or order, it is required that a meeting be held or that an act be done on a date which is a Saturday, Sunday, legal holiday or a day which is not an ordinary working day in the Municipal government, the ensuing secular day, or ordinary working day respectively shall be taken as meant and intended. Notwithstanding the provisions of this section Council and its committees shall be permitted to meet in regular or special session on any Saturday. (Amended 10-15-85.)

SECTION 10.109 LOSS OF QUALIFICATION BY OFFICER OR EMPLOYEE; VACANCY CREATED.

In the event it shall come to the attention of the appointing official that any officer or employee of the City shall, subsequent to his election, appointment or employment, cease to possess any of the requisite qualifications provided for his office or position, or if any such officer or employee shall resign or become physically or mentally incapacitated to the point he cannot perform his duties, then the appointing official shall declare a vacancy. Such vacancy shall be filled pursuant to applicable law.
(Amended 10-15-85.)

SECTION 10.110 CONFLICT OF INTEREST.

Any City officer or employee who has a substantial financial interest, direct or indirect or by reason of ownership of stock in any corporation, in any contract with the City or in the sale of any land, material, supplies or services to the City or to a contractor supplying the City shall make known that interest and shall refrain from voting upon or otherwise participating in his capacity as a City officer or employee in the making of such sale or in the making or performance of such contract. Any City officer or employee who willfully conceals such a substantial financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office or position and shall forfeit his office or position. Violation of this section with the knowledge, express or implied, of the person or corporation contracting with or making a sale to the City shall render the contract or sale voidable by the Mayor or Council.

SECTION 10.111 CENTRAL GARAGE AND MOTOR POOL.

There shall be a central garage, service center and motor pool, wherein all automobiles and other vehicles owned by the City shall be maintained, serviced and repaired and from which the head of any department, commission or agency, or his designee, shall requisition the use of any such automobiles or other vehicles as may be required by him or it. The Mayor, or his designee, shall establish and promulgate such rules and regulations respecting such facility as to effect the greatest possible economy and efficiency in its operation.

CERTIFICATE

In witness of the completed Charter draft, the undersigned members of the Charter Board, after the conclusion of the public hearings and consideration of changes considered necessary or desirable by members of the Board (as more fully appears from the minutes of meeting of the Board held August 21, 1969,) have hereunto signed their names.

Carle L. Lewis
Joseph P. Albright
Leo M. Tyson
Carl E. Stephens
Robert A. Atkinson
Vernon Paul James
Russell W. Barrett
Richard M. Richmond
George E. Farley
Wilbur E. Ruehl
E. Wayne Stanley

APPENDIX A

W.Va. Code, §8-11-4. ORDINANCE PROCEDURES.

(a) Notwithstanding any Charter provision to the contrary, which Charter provision was in effect on the effective date of this section, it shall not be necessary, except where otherwise provided in this Code, for the governing body of any municipality to publish in a newspaper any proposed ordinance prior to the adoption thereof or any enacted ordinance subsequent to the adoption thereof, and any and all ordinances of every municipality shall be adopted in accordance with the following requirements, except where different or additional requirements are specified in other provisions of this Code, in which event such other different or additional requirements shall be applicable.

(1) A proposed ordinance shall be read by title at not less than two meetings of the governing body with at least one week intervening between each meeting, unless a member of the governing body demands that the ordinance be read in full at one or both meetings. If such demand is made, the ordinance shall be read in full as demanded.

(2) At least five days before the meeting at which a proposed ordinance, the principal object of which is the raising of revenue for the Municipality, is to be finally adopted, the governing body shall cause notice of the proposed adoption of said proposed ordinance to be published as a Class 1-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this Code, and the publication area for such publication shall be the Municipality. The notice shall state the subject matter and general title or titles of such proposed ordinance, the date, time and place of the proposed final vote on adoption, and the place or places within the Municipality where such proposed ordinance may be inspected by the public. A reasonable number of copies of the proposed ordinance shall be kept at such place or places and be made available for public inspection. Said notice shall also advise that interested parties may appear at the meeting and be heard with respect to the proposed ordinance.

(3) A proposed ordinance shall not be materially amended at the same meeting at which finally adopted.

(b) Notwithstanding any charter provision to the contrary, which Charter provision was in effect on the effective date of this section, the governing body of any municipality may adopt, by ordinance, building codes, housing codes, plumbing codes, sanitary codes, electrical codes, fire prevention codes, or any other technical codes dealing with general public health, safety or welfare, or a combination of the same, or a comprehensive code of ordinances, in the manner prescribed in this subsection (b). Before any such ordinance shall be adopted, the code shall be either printed or typewritten and shall be presented in pamphlet form to the governing body of the Municipality at a regular meeting, and copies of such code shall be made available for public inspection. The ordinances adopting such Code shall not set out said Code in full, but shall merely identify the same. The vote on adoption of said ordinance shall be the same as on any other ordinance. After adoption of the ordinance, such Code or Codes shall be certified by the Mayor and shall be filed as a permanent record in the office of the recorder, who shall not be required to transcribe and record the same in the ordinance book as other ordinances are transcribed and recorded. Consistent with the provisions of subsection (a) of this section, it shall not be necessary that any such ordinance, either as proposed or after adoption, be published in any newspaper, and it shall not be necessary that the Code itself be so published, but before final adoption of any such proposed ordinance, notice of the proposed adoption of such ordinance and Code shall be given by publication as herein provided for ordinances the principal object of which is the raising of revenue for the Municipality, which notice shall also state where, within the Municipality, the Code or Codes will be available for public inspection.

(c) By a charter framed and adopted, revision of a charter as a whole, or a charter amendment or amendments, as the case may be, subsequent to the effective date of this section, a City may require any or all ordinances to be published in a newspaper prior to the adoption thereof, may expressly adopt the provisions of this section, may specify other additional requirements for the enactment of ordinances, or may prescribe a procedure for the enactment of ordinances in greater detail than prescribed in this section, but a City shall not, except in an emergency as specified in subsection (d) of this section or except as otherwise provided in this Code, have the power and authority to lessen or reduce the requirements of this section.

(d) The governing body of a municipality may enact an ordinance without complying with the rules prescribed in this section only (1) in the case of a pressing public emergency making procedure in accordance with the provisions of this section dangerous to the public health, safety or morals, and by affirmative vote of two-thirds of the members elected to the governing body, or (2) when otherwise provided in this Code. The nature of any such emergency shall be set out in full in the ordinance.

APPENDIX B
REPORT OF THE CHARTER BOARD

The City of Parkersburg has operated for the past forty years under the commission form of City government. In that time, the inherent weaknesses of this form have become apparent. These weaknesses include the placing of both legislative authority and administrative authority in the same hands namely in the elected commission. The commission plan offers no opportunity for sound budgeting practices; there is no practical way to coordinate a planned expenditure program among five independent administrative authorities. There is no single responsible executive in the commission plan; this makes impossible a unified public policy, as well as a known and effective responsibility.

After due consideration of the plans of city government available under the Home Rule Statute (city manager, strong mayor, mayor council, commission,) the Charter Board proposes that the new Charter for the City of Parkersburg be based on the strong mayor plan.

The Mayor shall be elected at large under the general election laws of the State. He shall be the chief administrative officer of the City with supervision over all executive and administrative work of the City and shall appoint all City officers and employees. He shall have the authority and responsibility to carry out the duties vested in him by this Charter, ordinance of Council or general law in the best interests of the citizens of this City.

The Council shall have all the legislative powers of the City vested in it. The Council shall consist of nine members elected from nine Municipal election districts on a partisan basis. The Council will meet at least twice a month and will be responsible for providing by ordinance the rules and procedures under which the Mayor is to administer the City government.

All appointments and promotions in the administrative service of the City are to be made according to merit and fitness. Persons holding any office or employed under the present government will be retained under the new Charter.

The new Charter provides for departments of Public Works, Finance, Purchasing, Fire and Police; other departments may be established by Council.

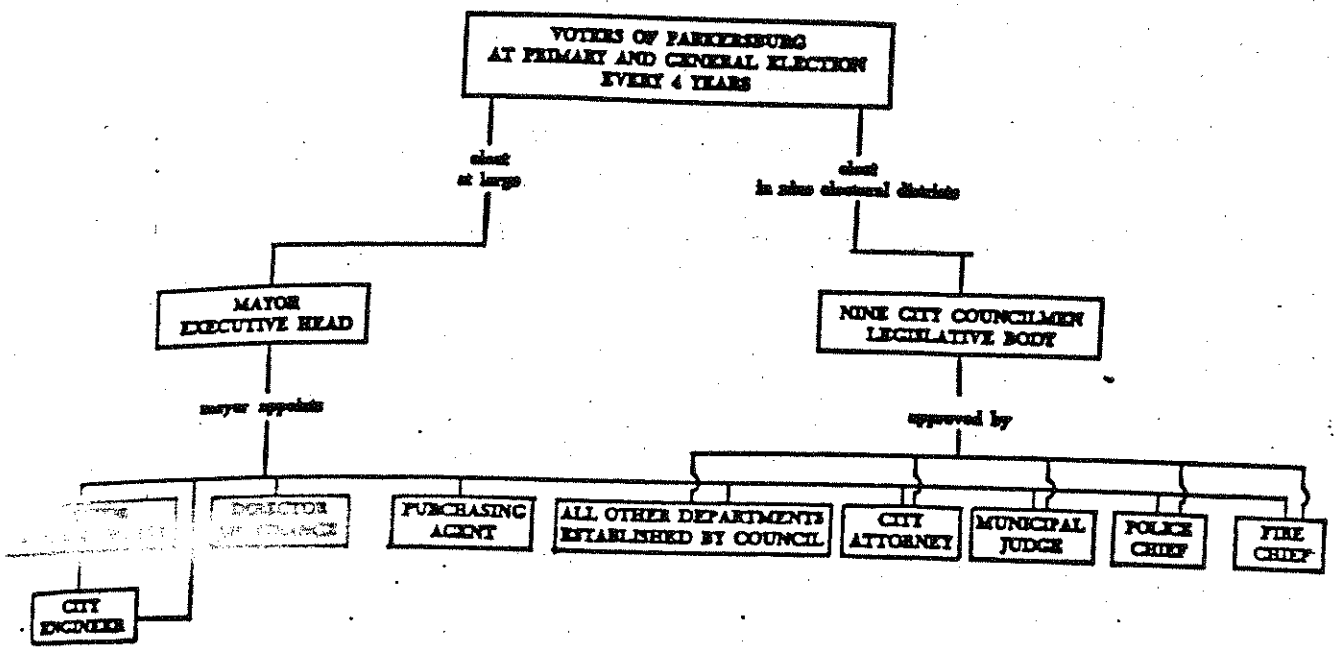
The primary election for the first Mayor and Council under this Charter will be held on Tuesday, July 14, 1970; and the first general election will be held Tuesday, July 28, 1970. The Mayor and Council so elected will take office August 17, 1970, and hold office until their successors are elected and qualified on or after December 31, 1973.

The Mayor and Council will be elected every four years. The primary will be held on the first Tuesday after the second Monday in October in the year 1973 and every fourth year thereafter. The general election will be held the first Tuesday after the first Monday in November in the year 1973 and every fourth year thereafter. The officers of each new administration will take office on the first Monday in January after their election.

This Charter has been completed after long and searching deliberations by the members of the Charter Board. It is the feeling of the Board that it will provide a practical and workable framework for the government of the City of Parkersburg, and the Charter Board unanimously recommends its adoption by the citizens of Parkersburg.

APPENDIX C

STRUCTURE OF GOVERNMENT UNDER PROPOSED CHARTER



RULES AND REGULATIONS

CITY COUNCIL

PARKERSBURG, WV 26102-1627

as amended

1/11/94

RULE I. GOVERNING RULES

Except as otherwise provided in the Constitution of the United States and the State of West Virginia, the laws of the State of West Virginia or the Charter of the City of Parkersburg, all questions of order, the methods of organization and the conduct of business of the municipal council shall be governed by Roberts Rules of Order (Revised Edition) in all cases to which they are applicable, and in which they are not inconsistent with the following governing rules of council. "The Scott,Foresman ROBERT'S RULES OF ORDER, Newly Revised, 1990 Edition, 9th Edition'

RULE II. INFORMAL MEETINGS

The Council may hold pre-meeting conferences on the day of which regular or special meetings of the Council are held, or at other times when called by the President of the Council, the Mayor or upon request of a majority of the Council; provided, however, that no votes shall be taken and that the purpose of these informal meetings shall be to inform the Council as to agenda items or other matters which the President, the Mayor, or other members of Council deem proper.

RULE III. MEETINGS
TIMES AND PLACES ESTABLISHED

(A)
The Council shall hold regular meetings on the second and fourth Tuesdays of each month at 7:30 P.M.; provided, however, that the regular meeting date and time may be changed to a different date and time upon duly passed by the majority of the members present. Provided further that in the event that the regular meeting date and time are so changed, notice shall be given to the general public of such change by Class I Legal Publication. When the day fixed for any regular meeting of the Council falls upon a day designated by law as a legal, national or religious holiday, such meeting shall be held at the same hour on the next succeeding day not a holiday

(B)
Special meetings may be called at any time, upon reasonable notice, by the Mayor or the President of the Council, and shall be so called by the President of the Council upon request of a majority of the Council. The requirements of reasonable notice of the time and place of the special meeting containing a brief statement of the purpose of the meeting in a method provided by law for the institution of a civil action within 12 hours of the time set for the meeting.

(C)
All meetings of the Council shall be held in the Council Chambers of the Municipal Building of the City of Parkersburg unless otherwise specified by the President of the Council.

(D)
All regular and special meeting of the Council shall be open to the public provided however, that the Council may recess for the purpose of conducting an executive session, limited to its membership plus any person or persons requested to attend such executive session by a majority of the Council. Such executive session shall be conducted and held in the manner specified in Chapter VI, Article 9A, Section 4 of the West Virginia Code, as amended, and only for the purpose therein stated.

RULE IV. AGENDA

(A)
All reports, communications, ordinances, resolutions, claims, license reports, contracts, documents or other matters to be submitted to the Council shall by 4:30 P.M. Tuesday, one week prior to the regular Council meeting, be delivered to the City Clerk, whereupon the Clerk shall immediately prepare a calendar of such matters together with such additional matters that she may have to present, in conformity with the prescribed order of business as hereinafter provided and shall furnish a copy to each member of Council. Items received after that time will be placed on the next regular Council agenda. When requested, the CLerk shall furnish the Mayor, City Attorney, and Directors of departments with a copy of the same, prior to the Council meeting and as far in advance of the meeting as time for preparation will permit. (amended 7/27/82)

(B)
The Council may by unanimous vote of those present, suspend this rule, so that matters of urgency may be immediately considered by the Council.

(C)
Any item placed on the City Council agenda will require three Councilmen as Sponsors. This rule shall also apply to all Boards and Commissions of the City of Parkersburg, and others, in accordance with the City Charter. (amemded 12/13/83)

RULE V. PRESIDING OFFICER - DUTIES

(A)
The Presiding Officer of the Council shall be the President. He shall be elected at the Organizational meeting held at 7:30 on the Tuesday following the date its members assume office.

(B)
The City Clerk or her designee shall act as temporary Chairman of such Organizational meeting. She shall call the meeting to order then call the roll of the Council.

(C)
The City Clerk shall entertain nominations from the Council for the position of Presi of the Council. Each nomination requires a second.

(D)
After nominations for the President have been closed, the City Clerk or her designee shall distribute ballots to the Council, collect same, and canvass in the open forum. Ballots will be available for inspection. (amended 1/5/82)

(E)
In case no nominee receives the most votes, additional ballots will be distributed and counted until one nominee receives more votes than the others. (amended 1/5/82)

(F)
After a President has been elected, the City Clerk will yield the chair to the new President who will in the same manner cause to be elected a new Council Vice President.

(G)
After electing a Council President and Vice President, a motion to adjourn the Organ- izational meeting is in order.

(H)
In the absence of the President and Vice President at any regular or special meeting of the Council, the presiding officer of the meeting shall be elected by the majority of the members of the Council present. The City Clerk or her designee shall conduct this election.

(I)
The presiding officer shall preserve strict order and decorum at all regular and special meetings of the Council. He shall state every question coming before the Council and announce the decision of the Council on all matters coming before it. A majority vote of Council shall govern and conclusively determine all questions of order not otherwise herein covered or as otherwise provided by law.

(J)
The term of the office of President and Vice President shall be limited to a one year term, but he may succeed himself. (amended 1/5/82)

RULE VI. PARLIAMENTARIAN

The City Attorney of Assistant City Attorney shall act as parliamentarian, and when requested, shall advise and assist the presiding officer in matters of parliamentary law.

RULE VII. CITY ATTORNEY

The City Attorney, or his designee, shall be available to the Council at all regular and special meetings. The City Attorney or his designee, shall draft ordinances, resolutions, or other legal documents when requested by a Councilmember. (amended 7/27/82)

RULE VII. CALL TO ORDER
ROLL CALL

The President of the Council shall take the chair at the hour appointed for the meeting and shall immediately call the Council to order. Upon the arrival of

RULE VIII cont.

the President, the Vice President shall relinquish the chair upon the conclusion of the business immediately before the Council.

Before proceeding with the business of the Council, the Clerk or designee, shall call the roll of the members in order by district, except the presiding officer shall be called last, and the names of those present shall be entered in the minutes. (amended 1/5/82)

RULE IX. QUORUM

A majority of the total number of the Council shall constitute a quorum. Should no quorum attend within thirty (30) minutes after the hour appointed for the meeting of the Council, the President, or in his absence the Vice President, may thereupon adjourn the meeting until the next day at the same hour and place.

RULE X. READING OF MINUTES

At each regular meeting of the Council, a journal of the proceedings of the last meeting shall be read, and corrected if erroneous, and signed by the presiding officer for the time being; provided, that the reading of the journal of the proceedings of the last meeting may be dispensed with by a majority vote by the governing body if the members thereof have received and examined a copy of the journal or a synopsis thereof prior to the meeting at which this journal is signed. Upon the call of any member the yeas and nays on any question shall be taken and recorded in this journal.

RULE XI. OPEN MEETINGS
ORDER OF BUSINESS

All regular and special meetings of the Council shall be open to the public. The business of the Council shall be taken up for consideration and disposition in the following manner:

1. Prayer
2. Pledge of Allegiance
3. Roll Call
4. To read, correct and approve the minutes of the previous meeting.
5. To receive and consider reports of standing committees.
6. To receive and consider reports of special committees.
7. To receive and consider messages from the Executive.
8. To receive and consider resolutions, petitions, motions.
9. Unfinished business.
10. Ordinances, second reading.
11. Ordinances, first reading.
12. Miscellaneous business.
~~13. Adjournment~~

(amended 12/9/80)

13. Public Forum. Thirty (30) minutes maximum. Five (5) minutes per person. (1/11/94)
14. ADjournment

RULE XII. RULES OF DEBATE

(A)
Question under consideration - A motion presented and seconded is under consideration and no motion shall be received thereafter, except to: 1) To adjourn; 2) To lay on the table, to postpone or to amend, until the question is decided; or 3) To refer to a committee. These motions shall have preference in order in which they are mentioned and the first two shall be decided without debate. (amended 7/27/82)

(B)
Limitations on debate: No member shall speak more than twice upon the same subject without leave of the Council. Nor more than once until every member choosing to speak shall have spoken.

(C)
A member of the Council once recognized, shall not be interrupted when speaking unless it be to call him or her to order or as herein otherwise provided. If a member of the Council, while speaking, be called to order, he or she shall cease speaking until the question of order be determined by the presiding officer, and if in order he or she shall be permitted to proceed. Any member of the Council may appeal to the Council from the decision of the presiding officer upon a question of order, whereupon without debate the presiding officer shall submit to the Council the question. "Shall the decision of the chair be sustained?", and the Council shall decide the question by a majority vote.

(D)
Privilege of closing debate: Any member of Council may close debate by moving the previous question which requires 2/3 vote. (amended 7/27/82)

RULE XIII. ROLL CALL FOR VOTING

Upon any roll call there shall be no discussion or explanation given by any member of Council voting, and he shall vote "yes' or "no" unless he shall first receive permission from a majority of the Council to explain his vote. A member of the Council may abstain from voting on any matter. The vote upon every motion, resolution, or ordinance shall be taken by a roll call in order by Council district, one through nine, except that the presiding officer shall be the last member called, and the vote be entered on the minutes.

RULE XIV. MANNER OF ADDRESSING COUNCIL
TIME LIMIT

Each person desiring to address the Council shall stand and give his or her name and address in an audible tone of voice for the record, and unless further time is granted by the majority of the Council, shall limit his address to 5 minutes. All remarks shall be addressed to the presiding officer and Council as a body and not to any individual member of the Council No person,other than members of the Council, and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Council, without the permission of the presiding officer. No question shall be asked a member of the Council except through the presiding officer. (amended 7/27/82)

RULE XV. DECORUM

(A) - By Council members:
While the Council is in session, the members must preserve order and decorum. A councilperson shall not, by conversation or otherwise, except as herein provided, delay, or interrupt the proceedings or the peace of the Council, or disturb any member while speaking or refuse to obey the orders of the Council or its presiding officer.

(B) - By other persons:
Any person making personal, impertinent or slanderous remarks or who shall become boisterous while addressing the Council shall forthwith be barred by the presiding officer from further audience before the Council, unless permission to continue or again address the Council be granted by the majority vote of the Council. The Chief of Police, or such member or members of the Police Department as he may designate, shall be the sergeant-at-arms of the Council meetings. He, or they, shall carry out all orders and instructions given by the presiding officer for the purpose of maintaining order and decorum at the Council meeting.

RULE XVI. COUNCIL COMMITTEES

All standing and special committees, and the chairman thereof, shall be appointed by the presiding officer at regular or special meetings. All committees shall consist of five members, including the chairman.

There shall be a standing committee entitled "Committee of the Whole"; and

There shall be a standing committee entitled "Finance and Administration", which committee shall have the jurisdiction in the following City functions:

> Review budget revisions; review financial statements, review and make recommendations regarding requests for funds from agencies and groups not associated with the City; recommend to administration the promise of expending available funds; recommend additional sources of funds for capital improvements; recommend to Council resolutions suggesting revisions in State tax structure that apply to cities; receive, consider, and recommend financial resources for standing committee's recommendations.

There shall be a standing committee entitled "Community Development" which shall have the jurisdiction in the following City functions:

> Code Enforcement; Street resurfacing; recommendations concerning recreational facilities, working in conjunction with the Wood County Recreation Commission.

RULE XVI. (continued)

There shall be a standing committee entitled "Public Works and Safety" which shall have the jurisdiction in the following City functions:

Advisory in the areas of the Police, Fire, and Public Works Departments concerning personnel problems and departmental requests.

There shall be a standing committee entitled "Rules and Procedures" which shall have the jurisdiction in the following City functions:

Consider appointments made by Council and make recommendations. All matters of personnel will be discussed in executive session; keep the legislative manual updated as required by the Charter; study rules and procedures.

RULE XVII. PREPARATION OF ORDINANCES, ETC

The City Attorney or his designee, when requested, shall prepare ordinances, resolutions, motions, contracts, or other documents, which shall be delivered to the Clerk in conformity with Rule IV. and Rule VII. A copy of the same shall be forthwith furnished to each member of the Council by the Clerk. All prepared ordinances, resolutions, and legal documents shall be approved by the City Attorney or his designee and bear his notation that they are correct in form.

RULE XVIII. NOMINATIONS AND ACTION THEREON

(A)
Upon the receipt from the Mayor of any nomination to any office or position,

RULE XVIII. cont.

the same shall be read under "Item" messages from the Executive Office, by the Clerk or her designee, and unless otherwise ordered, shall be considered by the Council under "new business". When taken up for action the presiding officer shall put the question on each nomination as follows: "Will the Council confirm the nomination?" On that motion, a vote shall be ordered, and if the majority votes to confirm, the presiding officer shall announce "The nomination is confirmed" If less than the majority vote to confirm, the presiding officer shall announce, "The nomination is rejected".

(B)
Nominations for all committees, boards, and commissions appointed by the Council shall be received by the Council secretary or City Clerk and referred to the City Council Personnel Committee. Within twenty-one (21) days, the Council shall receive a committee report by the Clerk or her designee recommending a nominee or reflecting a vacancy. Such report shall then be taken up and considered by the Council under "new business". When taken up for action, the Clerk shall either read the resolution reflecting the nominee or state that there is a vacancy. If there is a vacancy, the presiding officer shall declare an executive session at which time a recommendation shall be made to fill such vacancy. Upon adjourning the executive session, the Clerk shall read the resolution including the name recommended during the executive session. A roll call vote shall then be conducted concerning such resolution. (amended 1/85, amended 3/90 to Personnel Committee)

RULE XIX. EXPENDITURES OF COUNCIL

Before a member of the Council shall make any agreement to buy, purchase, or contract services, or in any way commit monies of the Council in excess of $100.00, or request any monies for services, expenses or fees in excess of $100.00, he or she will first have prior approval of the Finance Committee and a majority of the Council.

RULE XX. REPORTS AND RESOLUTIONS

All reports and resolutions shall be filed with the City Clerk and entered in the minutes.

RULE XXI. READING AND ACTION OF ORDINANCES

Ordinances will be voted on at first reading, and if defeated will not be brought back up for second reading. (amended 6/28/83)

RULE XXII. ADJOURNMENT

A motion to adjourn shall always be in order and decided without debate.

RULES AND REGULATIONS

CITY COUNCIL

PARKERSBURG WV 26102-1627

AS AMENDED 12/14/99

CITY COUNCIL RULES AND REGULATIONS

INDEX

PAGE 1	RULE I.	GOVERNING RULES
	RULE II.	INFORMAL MEETINGS
	RULE III.	MEETINGS TIMES AND PLACES ESTABLISHED
PAGE 2	RULE IV.	AGENDA
PAGE 3	RULE V.	PRESIDING OFFICER – DUTIES
PAGE 4	RULE VI.	PARLIAMENTARIAN
	RULE VII.	CITY ATTORNEY
	RULE VIII.	CALL TO ORDER ROLL CALL
PAGE 5	RULE IX.	QUORUM
	RULE X.	READING OF MINUTES
	RULE XI.	OPEN MEETINS ORDER OF BUSINESS
PAGE 6	RULE XII.	RULES OF DEBATE
	RULE XIII.	ROLL CALL FOR VOTING
PAGE 7	RULE XIV.	MANNER OF ADDRESSING COUNCIL TIME LIMIT
	RULE XV.	DECORUM
	RULE XVI.	COUNCIL COMMITTEES
PAGE 9	RULE XVII.	PREPARATION OF ORDINANCES, ETC
	RULE XVIII.	NOMINATIONS AND ACTION THEREON
	RULE XIX.	EXPENDITURES OF COUNCIL
PAGE 10	RULE XX.	REPORTS AND RESOLUTIONS
	RULE XXI.	READING AND ACTION OF ORDINANCES
	RULE XXII.	ADJOURNMENT

RULES AND REGULATIONS

CITY COUNCIL

PARKERSBURG WV 26102-1627

AS AMENDED 12/14/99

GOVERNING RULES

RULE I.

Except as otherwise provided in the Constitution of the United States and the State of West Virginia, the laws of the State of West Virginia or the Charter of the City of Parkersburg, all questions of order, the methods of organization and the conduct of business of the municipal council shall be governed by Roberts Rules of Order (Revised Edition) in all cases to which they are applicable, and in which they are not inconsistent with the following governing rules of council. "The Scott, Foresman ROBERTS'S RULES OF ORDER, Newly Revised, 1990 Edition, 9th Edition"

INFORMAL MEETINGS

RULE II.

The Council may hold pre-meeting conferences on the day of which regular or special meetings of the Council are held, or at other times when called by the President of the Council, the Mayor or upon request of a majority of the Council; provided, however, that no votes shall be taken and that the purpose of these informal meetings shall be to inform the Council as to agenda items or other matters which the President, the Mayor, or other members of Council deem proper.

MEETINGS
TIMES AND PLACES ESTABLISHED

RULE III.

(A)
The Council shall hold regular meetings on the second and fourth Tuesdays of each month at 7:30 P.M.; provided, however, that the regular meeting date and time may be changed to a different date and time upon duly passed by the majority of the members present. Provided further that in the event that the regular meeting date and time are so changed, notice shall be given to the general public of such change by Class I Legal Publication. When the day fixed for any regular meeting of the Council falls upon a day designated by law as a legal, national or religious holiday, such meeting shall be held at the same hour on the next succeeding day not a holiday.

(B)
Special meetings may be called at any time, upon reasonable notice, by the Mayor or the President of the Council, and shall be so called by the President of the Council upon request of a majority of the Council. The requirements of reasonable notice of the time and place of the special meeting containing a brief statement of the purpose of the meeting in a method provided by law for the institution of a civil action within 12 hours of the time set for the meeting.

©
All meetings of the Council shall be held in the Council Chambers of the Municipal Building of the City of Parkersburg unless otherwise specified by the President of the Council.

(D)
All regular and special meeting of the Council shall be open to the public provided however, that the Council may recess for the purpose of conducting an executive session, limited to its membership plus any person or persons requested to attend such executive session by a majority of the Council. Such executive session shall be conducted and held in the manner specified in Chapter VI, Article 9A, Section 4 of the West Virginia Code, as amended, and only for the purpose therein stated.

(E) NOTICES:

(1) Regular Meetings. A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the Parkersburg Municipal Building of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 48 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined. (amended 12/14/99)

(2) Special Meetings. A notice shall be posted by the City Clerk at the front door or bulletin board of the Parkersburg Municipal Building not less that 48 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined. (amended 12/14/99)

AGENDA

RULE IV.

(A)
All reports, communications, ordinances, resolutions, claims, license reports, contracts, documents or other matters to be submitted to the Council shall by 4:30 P.M. Tuesday, one week prior to the regular Council meeting, be delivered to the City Clerk, whereupon the Clerk shall immediately prepare a calendar of such matters together with such additional matters that she may have to present, in conformity with the prescribed order of business as hereinafter provided and shall furnish a copy to each member of Council. Items received after that time will be placed on the next regular Council agenda. When requested, the Clerk shall furnish the Mayor, City Attorney, and Directors of departments with a copy of the same, prior to the Council meeting and as far in advance of the meeting as time for preparation will permit. (amended 7/27/82).

(B)
The Council may by unanimous vote of those present, suspend this rule, so that matters of urgency may be immediately considered by the Council.

©
Any item placed on the City Council agenda will require three Councilmen as Sponsors. This rule shall also apply to all Boards and Commissions of the City of Parkersburg, and others, in accordance with the City Charter. (amended 12/13/83)

PRESIDING OFFICER – DUTIES

RULE V.

(A)
The Presiding Officer of the Council shall be the President. He shall be elected at the Organizational meeting held at 7:30 on the Tuesday following the date its members assume office.

(B)
The City Clerk or her designee shall act as temporary Chairman of such Organizational meeting. She shall call the meeting to order then call the roll of the Council.

©
The City Clerk shall entertain nominations from the Council for the position of President of the Council. Each nomination requires a second.

(D)
After nominations for the President have been closed, the City Clerk shall call for a vote, which vote shall be by a roll call, pursuant to Rule XIII of these governing rules. (amended 12/14/99)

(E)
In case no nominee receives the most votes, additional votes by roll call shall be taken until one nominee receives more votes than the others. (amended 12/14/99)

(F)
After a President has been elected, the City Clerk will yield the chair to the new President who will in the same manner cause to be elected a new Council Vice President.

(G)
After electing a Council President and Vice President, a motion to adjourn the Organizational meeting is in order.

(H)
In the absence of the President and Vice President at any regular or special meeting of the Council, the presiding officer of the meeting shall be elected by the majority of the members of the Council present. The City Clerk or her designee shall conduct the election.

(I)
The presiding officer shall preserve strict order and decorum at all regular and special meetings of the Council. He shall state every question coming before the Council and announce the decision of the Council on all matters coming before it. A majority vote of Council shall govern and conclusively determine all questions of order not otherwise herein covered or as otherwise provided by law.

(J)
The term of the office of President and Vice President shall be limited to a one year term, but he may succeed himself. (amended 1/5/82)

PARLIAMENTARIAN

RULE VI.

The City Attorney or Assistant City Attorney shall act as parliamentarian, and when requested, shall advise and assist the presiding officer in matters of parliamentary law.

CITY ATTORNEY

RULE VII.

The City Attorney, or his designee, shall be available to the Council at all regular and special meetings. The City Attorney or his designee, shall draft ordinances, resolutions, or other legal documents when requested by a Councilmember. (amended 7/27/82)

CALL TO ORDER
ROLL CALL

RULE VIII.

The President of the Council shall take the chair at the hour appointed for the meeting and shall immediately call the Council to order. Upon the arrival of the President, the Vice President shall relinquish the chair upon the conclusion of the business immediately before the Council.

Before proceeding with the business of the Council, the Clerk or designee, shall call the roll of the members in order by district, except the presiding officer shall be called last, and the names of those present shall be entered in the minutes. (amended 1/5/82)

QUORUM

RULE IX.

A majority of the total number of the Council shall constitute a quorum. Should no quorum attend within thirty (30) minutes after the hour appointed for the meeting of the Council, the President, or in his absence the Vice President, may thereupon adjourn the meeting until the next day at the same hour and place.

READING OF MINUTES

RULE X.

At each regular meeting of the Council, a journal of the proceedings of the last meeting shall be read, and corrected if erroneous, and signed by the presiding officer for the time being; provided, that the reading of the journal of the proceeding of the last meeting may be dispensed with by a majority vote by the governing body if the members thereof have received and examined a copy of the journal or a synopsis thereof prior to the meeting at which this journal is signed. Upon the call of any member the yeas and nays on any question shall be taken and recorded in this journal.

OPEN MEETINGS
ORDER OF BUSINESS

RULE XI.

All regular and special meetings of the Council shall be open to the public. The business of the Council shall be taken up for consideration and disposition in the following manner:

1. Prayer
2. Pledge of Allegiance
3. Roll Call
4. To read, correct and approve the minutes of the previous meeting.
5. To receive and consider reports of standing committees.
6. To receive and consider reports of special committees.
7. To receive and consider messages from the Executive.
8. To receive and consider resolutions, petitions, motions.

9. Unfinished business.
10. Ordinances, second reading.
11. Ordinances, first reading.
12. Miscellaneous business.
13. Public Forum. Thirty (30) minutes maximum. Five (5) minutes per person. (1/11/94)
14. Adjournment.

RULES OR DEBATE

RULE XII.

(A)
Questions under consideration – A motion presented and seconded is under consideration and no motion shall be received thereafter, except to: 1) To adjourn; 2) To lay on the table, to postpone or to amend, until the question is decided; or 3) To refer to a committee. These motions shall have preference in order in which they are mentioned and the first two shall be decided without debate. (amended 7/27/82)

(B)
Limitations on debate: No member shall speak more than twice upon the same subject without leave of the Council. Nor more than once until every member choosing to speak shall have spoken.

©
A member of the Council once recognized, shall not be interrupted when speaking unless it be to call him or her to order or as herein otherwise provided. If a member of the Council, while speaking, be called to order, he or she shall cease speaking until the question of order be determined by the presiding officer, and if in order he or she shall be permitted to proceed. Any member of the Council may appeal to the Council from the decision of the presiding officer upon a question of order, whereupon without debate the presiding officer shall submit to the Council the question. "Shall the decision of the chair be sustained?", and the Council shall decide the question by a majority vote.

(D)
Privilege of closing debate: Any member of Council may close debate by moving the previous question which requires 2/3 vote. (amended 7/27/82)

ROLL CALL FOR VOTING

RULE XIII.

Upon any roll call there shall be no discussion or explanation given by any member of Council voting, and he shall vote "yes" or "no" unless he shall first receive permission from a majority of the Council to explain his vote. A member of the Council may abstain from voting on any matter. The vote upon every motion, resolution, or ordinance shall be taken by a roll call in

order by Council district, one through nine, except that the presiding officer shall be the last member called, and the vote be entered in the minutes.

MANNER OF ADDRESSING COUNCIL
TIME LIMIT

RULE XIV.

Each person desiring to address the Council shall stand and give his or her name and address in an audible tone of voice for the record, and unless further time is granted by the majority of the Council, shall limit his address to 5 minutes. All remarks shall be addressed to the presiding officer and Council as a body and not to any individual member of the Council. No person, other than members of the Council, and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Council, without the permission of the presiding officer. No question shall be asked a member of the Council except through the presiding officer. (amended 7/27/82)

DECORUM

RULE XV.

(A) – By Council members:

While the Council is in session, the members must preserve order and decorum. A councilperson shall not, by conversation or otherwise, except as herein provided, delay, or interrupt the proceedings or the peace of the Council, or disturb any member while speaking or refuse to obey the orders of the Council or its presiding officer.

(B) – By other persons:

Any person making personal, impertinent or slanderous remarks or who shall become boisterous while addressing the Council shall forthwith be barred by the presiding officer from further audience before the Council, unless permission to continue or again address the Council be granted by the majority vote of the Council. The Chief of Police, or such member or members of the Police Department as he may designate, shall be the sergeant-at-arms of the Council meetings. He, or they, shall carry out all orders and instructions given by the presiding officer for the purpose of maintaining order and decorum at the Council meeting.

COUNCIL COMMITTEES

RULE XVI.

All standing and special committees, and the chairman thereof, shall be appointed by the presiding officer at regular or special meetings. All committees shall consist of five members, including the chairman.

There shall be four (4) standing committees.

1. Committee of the Whole;

2. Finance and Administration; whose duties will include the following:

   A. Review budget revisions
   B. Review financial statements
   C. Review and make recommendations regarding requests for funds from agencies and groups not associated with the City
   D. Recommend to the Administration the promise of expending available funds
   E. Recommend additional sources of funds for capital improvements
   F. Recommend to Council resolutions suggesting revisions in State Tax structure that apply to cities
   G. Receive, consider and recommend financial resources for standing committee's recommendations

3. Public Works and Safety; whose duties will include advising the Administration in the following areas:

   A. Code Enforcement
   B. Street resurfacing
   C. In recommendations concerning recreational facilities, working in conjunction with the Wood County Recreation Commission
   D. In the areas of the Police Department, Fire Department, and the Public Works Department concerning departmental requests

4. Personnel Committee, whose duties will include the following:

   A. Consider City Council's appointments to Boards and Commissions and make recommendations thereon
   B. All matters of personnel (to be discussed in executive session)
   C. To keep the codified ordinances updated as required by the City Charter
   D. To study rules and procedures

   (It would be generally accepted by Council and entered into the record that personnel matters pertaining to the Police Department, Fire Department and the Public Works Department would be referred to the Personnel Committee which is so described in Rule XVI, #4, Item B.)

PREPARATION OF ORDINANCES, ETC

RULE XVII.

The City Attorney or his designee, when requested, shall prepare ordinances, resolutions, motions, contracts, or other documents, which shall be delivered to the Clerk in conformity with Rule IV. and Rule VIII. A copy of the same shall be forthwith furnished to each member of the Council by the Clerk. All prepared ordinances, resolutions and legal documents shall be approved by the City Attorney or his designee and bear his notation that they are correct in form.

NOMINATIONS AND ACTION THEREON

RULE XVIII.

(A)
Upon the receipt from the Mayor of any nomination to any office or position, the same shall be read under "Item" messages from the Executive Office, by the Clerk or her designee, and unless otherwise ordered, shall be considered by the Council under "new business". When taken up for action the presiding officer shall put the question on each nomination as follows: "Will the Council confirm the nomination?" On that motion, a vote shall be ordered, and if the majority votes to confirm, the presiding officer shall announce "The nomination is confirmed". If less than the majority vote to confirm, the presiding officer shall announce, "The nomination is rejected".

(B)
Nominations for all committees, boards, and commissions appointed by the Council shall be received by the Council secretary of City Clerk and referred to the City Council Personnel Committee. Within twenty-one (21) days, the Council shall receive a committee report by the Clerk or her designee recommending a nominee or reflecting a vacancy. Such report shall then be taken up and considered by the Council under "new business". When taken up for action, the Clerk shall either read the resolution reflecting the nominee or state that there is a vacancy. If there is a vacancy, the presiding officer shall declare an executive session at which time a recommendation shall be made to fill such vacancy. Upon adjourning the executive session, the Clerk shall read the resolution including the name recommended during the executive session. A roll call vote shall then be conducted concerning such resolution. (amended 1/85, amended 3/90 to Personnel Committee)

EXPENDITURES OF COUNCIL

RULE XIX.

Before a member of the Council shall make any agreement to buy, purchase, or contract services, or in any way commit monies of the Council in excess of $100.00, or request any monies for

services, expenses or fees in excess of $100.00, he or she will first have prior approval of the Finance Committee and a majority of the Council.

REPORTS AND RESOLUTIONS

RULE XX.

All reports and resolutions shall be filed with the City Clerk and entered in the minutes.

READING AND ACTION OF ORDINANCES

RULE XXI.

Ordinances will be voted on at first reading, and if defeated will not be brought back up for second reading. (amended 6/28/83)

ADJOURNMENT

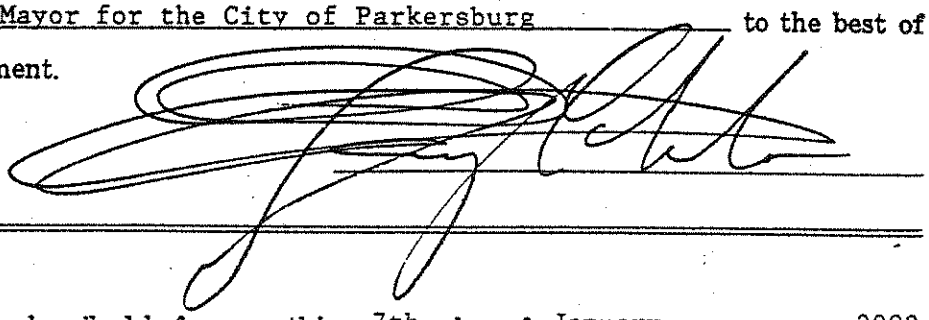
RULE XXII.

A motion to adjourn shall always be in order and decided without debate.

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG } SS.

I, Jimmy Colombo

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Mayor for the City of Parkersburg to the best of my skill and judgment.



Sworn to and subscribed before me this 7th day of January 19 2002.

Joseph P. Albright IV Justice
Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD } **SS.**
CITY OF PARKERSBURG

I, Sheila Hunley

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member, Parkersburg City Council to the best of my skill and judgment.

Sheila K. Hunley

Sworn to and subscribed before me this 7th day of January 19 2002

Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD } **SS.**
CITY OF PARKERSBURG

I, Dorsey Cheuvront

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member, Parkersburg City Council to the best of my skill and judgment.

Dorsey Cheuvront

Sworn to and subscribed before me this 7th day of January 19 2002

Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD } SS.
CITY OF PARKERSBURG

I, Bradley Kimes

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member of Parkersburg City Council to the best of my skill and judgment.

Sworn to and subscribed before me this 7th day of January 19 2002

Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG } SS.

I, Hampden Fitcher, Jr.

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member of Parkersburg City Council to the best of my skill and judgment.

Hampden V. Fitcher, Jr.

Sworn to and subscribed before me this 7th day of January 19 2002.

Administrating Officer

Parkersburg Printing Co.

STATE OF WEST VIRGINIA
COUNTY OF WOOD } **SS.**
CITY OF PARKERSBURG

I, Sharyn Tallman

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member of Parkersburg City Council to the best of my skill and judgment.

Sharyn Tallman

Sworn to and subscribed before me this 7th day of January 19 2002

Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG } SS.

I, Betty Mather

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member of Parkersburg City Council to the best of my skill and judgment.

Betty B. Mather

Sworn to and subscribed before me this 7th day of January, 19 2002

Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD } SS.
CITY OF PARKERSBURG

I, Ed Roedersheimer

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member of Parkersburg City Council to the best of my skill and judgment.

Sworn to and subscribed before me this 7th day of January 19 2002.

Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD } **SS.**
CITY OF PARKERSBURG

I, Bob Goff

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member of Parkersburg City Council to the best of my skill and judgment.

Robert L. Goff

Sworn to and subscribed before me this 7th day of January 19 2002

Administrating Officer

Parkersburg Printing Co. 5

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG } SS.

I, Demosthenes T. Dukas

do solemnly swear that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Member of Parkersburg City Council to the best of my skill and judgment.

Demosthenes T. Dukas

Sworn to and subscribed before me this 7th day of January 19 2002

Administrating Officer

Parkersburg Printing Co. 5

Document # 0-805

Ord. creating a Parkersburg Utility Board for the management of water and sewer departments

First reading 3/26/96

Final reading 4/9/96

ACTION TAKEN:

ADOPTED on first reading, as amended

ADOPTED on final reading, as amended

Mayor Eugene A. Knotts

CITY OF PARKERSBURG

AN ORDINANCE CREATING THE PARKERSBURG UTILITY BOARD AND PROVIDING FOR THE TRANSFER OF MANAGEMENT, CONTROL AND OPERATION OF THE MUNICIPAL WATERWORKS SYSTEM AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG, WEST VIRGINIA FROM THE PARKERSBURG WATER DEPARTMENT AND THE PARKERSBURG SANITARY BOARD TO THE PARKERSBURG UTILITY BOARD, SUCH BOARD TO BE SUBORDINATE TO THE DIRECTOR OF PUBLIC WORKS UNTIL AMENDMENT OF THE PARKERSBURG CITY CHARTER.

WHEREAS, the City of Parkersburg, West Virginia (the "City") presently owns and operates a municipal waterworks system (the "Waterworks System"), consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines, booster stations and all appurtenant facilities and properties, and a municipal sanitary sewerage system (the "Sewerage System"), consisting of a sewerage treatment plant, collection and transportation lines, lift stations and all appurtenant facilities and properties;

WHEREAS, the Waterworks System has heretofore been managed and operated by the Parkersburg Water Department, a department of the City, and the Sewerage System has heretofore been managed by the Parkersburg Sanitary Board, a board or commission created pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, and an ordinance of the City enacted November 11, 1953;

WHEREAS, the Charter of the City, adopted October 7, 1969, as amended (the "Charter") provides, at Section 10.104 thereof, for the separate Waterworks System and Sewerage System to be combined as soon as practicable, into a single undertaking pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), such combined waterworks and sewerage system to be placed under the cognizance of the Director of Public Works of the City (the "Director");

WHEREAS, the Council of the City has considered the effects of combining the operation, control and management of the Waterworks System and the Sewerage System and has determined that certain efficiencies will be achieved by the combination of the Waterworks System and the Sewerage System and by providing for a unified management thereof;

WHEREAS, the Council of the City has further considered the provisions set forth in Section 10.104 of the Charter and has determined that it is preferable for the combined waterworks and sewerage system to be under the supervision, management and control of an independent board rather than the Director, and has heretofore enacted an ordinance calling for a referendum at the May 14, 1996 primary election, amending such Charter provision to provide for a fully independent board not under the cognizance of the Director; and

WHEREAS, the City is permitted, pursuant to the Act to combine by ordinance the Waterworks System and the Sewerage System into a single undertaking and to operate the same in combination;

WHEREAS, the City has determined that refunding of its Waterworks Refunding Revenue Bonds, Series 1994, dated May 1, 1994 (the "Water Revenue Bonds"), and its Sewerage System Refunding Revenue Bonds, Series 1992, dated February 1, 1992 (the "Sewer Revenue Bonds") will achieve interest cost savings for the City, but that such refunding may be accomplished only if the Waterworks System and Sewerage System are combined on or prior to the date of issuance of refunding bonds for such purpose;

WHEREAS, the City has provided for refunding of all of its existing Waterworks Revenue Bonds and Sewer Revenue Bonds through the issuance of Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Bonds") and, upon conclusion of such refunding and defeasance of the Waterworks Revenue Bonds and Sewer Revenue Bonds, will have no Waterworks Revenue Bonds or Sewer Revenue Bonds outstanding, the payment of which has not been made or provided for;

WHEREAS, because of timing constraints in the issuance of the Bonds and redemption of the Water Revenue Bonds and the Sewer Revenue Bonds, the City must issue the Bonds prior to the May 14, 1996 primary election date, and therefore, this ordinance must be enacted prior to the date upon which a determination will be made as to whether the Board will or will not be under the cognizance of the Director;

WHEREAS, in order to achieve such interest cost savings, and the efficiencies of a combined waterworks and sewerage system, the City now desires to provide for the manner of and procedure for transferring supervision and control of its separately existing Waterworks System and Sewerage System from the heretofore separate Water Department and Sanitary Board into a single utility board to be known as the "Parkersburg Utility Board", such Board to be under the cognizance of the Director until such time as the

Charter shall be amended to no longer require that the operation of such combined system be under the cognizance of the Director;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PARKERSBURG, HEREBY ORDAINS:

Section 1. Upon issuance of the Bonds, but only upon such issuance, the Parkersburg Sanitary Board shall become functus officio and the heretofore separate Waterworks System and Sewerage System of the City shall be combined into a single undertaking. The supervision, management, control and operation of the System shall be vested in the Board, hereby created and appointed and functioning as hereinafter provided.

Section 2. The Board shall consist of five (5) persons, one of whom shall be the Mayor of the City, and not less than one of whom shall be a registered professional engineer. The remaining Boardmembers shall be citizens and residents of the City, of outstanding reputation, ability and integrity. With the exception of the Mayor, all Boardmembers shall be appointed by the Council of the City. No officer or employee of the City, whether holding a paid or unpaid office, shall be eligible to be appointed to the Board until at least one (1) year after the expiration of the term of such public office.

Section 3. The Mayor of the City shall notify all appointees of their appointment. The terms of such Boardmembers first appointed shall be for 1, 2, 3 and 4 years, respectively, from the 1st day of the month in which appointed. In the event of a vacancy and also within thirty (30) days after the expiration of the term of office of any Boardmember, a successor shall be appointed by the Council of the City. All vacancies shall be filled for the unexpired term only and all other appointments shall be for a term of four (4) years, to commence on the date following the scheduled expiration date of the previous term. The Board shall have power to adopt bylaws, rules and regulations for its own government. Any Boardmember shall be eligible for reappointment upon the expiration of his or her term. The Boardmembers shall each receive compensation for their services at the rate of $50 per meeting attended, not to exceed $200 per month, and in addition, shall be reimbursed for any and all expenses incurred in the performance of duties as ordered by the Board.

Section 4. The Mayor shall be the Chairman of the Board. At the first meeting of the Board and annually thereafter it shall organize by designating one of the Boardmembers to act as Vice Chairman and by designating a Secretary and a Treasurer, who need not be members of the Board. The Secretary and Treasurer may be the same person. The Chairman shall preside at all meetings when present and shall call special meetings on his or her own motion, or when requested to do so by any two Boardmembers. The Vice Chairman shall preside in the absence of the Chairman. The Secretary shall keep a record of the proceedings which shall be available for inspection as other municipal records. The Treasurer shall receive and disburse the funds of the System as directed by

the Board. In the event that any Boardmember shall be unable to fulfill the duties of his or her office for a period of 6 months, a majority of the remainder of the said Boardmembers may declare the office of such Boardmember vacant and the Council of said City shall thereupon fill such vacancy as otherwise provided for herein.

Section 5. The Board shall have full and complete authority for the supervision, management, control and operation of the System, including the maintenance, operations, improvements and extensions thereof. All bills for water and sewer service shall be collected and accounted for by the Board in the manner and form required by law, the Public Service Commission of West Virginia and the ordinances of the City, and all disbursements and accounts of the System shall be ordered paid out only upon approval of said Board; provided, however, that all such supervision, management and control of the System and the collection and accounting for bills for water and sewer service shall be consistent and in accordance with any ordinances pursuant to which the City may have authorized and issued any bonds from time to time outstanding, which by their terms are payable from and secured by the revenues of the System. The Board shall have the power and authority to make all contracts, agreements and other matters necessary or proper for the full and complete supervision, management and control of the System.

Section 6. The Board shall have power to fix and maintain a separate budget, and employ, fix the compensation of and discharge a manager of the System, and shall direct, employ and fix the compensation of and discharge all engineers, architects, inspectors, superintendents, collectors, attorneys, and other employees of the System. The Chairman and Treasurer of the Board, upon their appointment and taking office, shall furnish and file with the City Clerk, a bond in an amount to be set by the Board from time to time, the cost of such bond to be payable from revenues of the System and such bond to be payable to the City and conditioned as to the faithful performance of their respective duties as are fixed by the Board.

Section 7. The Board shall provide reports, at least annually, or as otherwise required by law, to the Director, the Mayor and Council of the City, indicating the System's financial condition. The Board shall also, if requested by the Mayor, provide the City with yearly audited financial statements of the System, minutes of all meetings of the Board, an annual budget for the System, and other information as may reasonably be requested.

Section 8. Upon issuance of the Bonds and defeasance of the Water Revenue Bonds and Sewer Revenue Bonds, all assets and liabilities of the Waterworks System and Sewerage System, including accounts receivable and accounts payable, and all employees thereof, shall be under the management and control of the Board. Personnel policies and practices, and other matters affecting employees of the Board shall be as determined by the Board.

Section 9. The initial members of the Board shall be appointed on or prior to the date of issuance of the Bonds.

Section 10. Notwithstanding any of the foregoing provisions of this ordinance, in the event that the Charter amendment is not approved by the voters of the City at the May 14, 1996 primary election, or that a Charter amendment is not thereafter approved and implemented which eliminates the supervisory role of the Director, the Board shall be and remain under the cognizance of the Director. In such event, the Board shall be responsible for the day-to-day operations of the System, but shall be under the cognizance of the Director and shall comply in all respects with the provisions of Section 10.104 of the Charter.

Section 11. The Council of the City enacts this Ordinance for the assurance and protection of the citizens of the City and for the purpose of assuring the holders of the Bonds of the City payable from the income and revenues of the System of an efficient operation and maintenance thereof. So long as the Bonds are outstanding, no amendment or repeal of this Ordinance shall be enacted without the written consent thereto of the Bond Insurer for the Bonds. Any such amendment or repeal of this Ordinance shall otherwise be adopted in accordance with the rules and regulations of the Council of said City.

Section 12. This Ordinance shall be effective on the date of issuance and delivery of the Bonds.

Passed on First Reading: _____, 1996

Enacted on Final Reading following Public Hearing: _____, 1996

CITY OF PARKERSBURG

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

04/08/96

AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE 927.01 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Article 927.01, entitled "Schedule of Sewer Rates", of the Codified Ordinances of the City of Parkersburg be amended and re-enacted to read as follows:

927.01 SCHEDULE OF SEWER RATES

The following schedule of rates, charges, delayed payment penalty charges and connection fee are hereby fixed and determined as the rates, charges, delayed payment penalty charges and connection fee to be charged to customers of the City sewerage system throughout the entire territory served.

SCHEDULE

Applicability

Applicable in the entire territory served.

Availability of Service

Available for general domestic, commercial and industrial service.

Minimum Customer Charge

Each customer shall pay a total Customer Charge of eight dollars and fifty eight cents ($8.58) per month. One dollar ($1.00) of the Customer Charge is designated for use on wet weather overflow (SSO) abatement projects.

Volume Charge

In addition to the minimum customer charge, each customer shall pay three dollars twenty six cents ($3.26) per 1,000 gallons, based upon the metered amount of water supplied.

Well Water Customer Volume Charge

Sewer customers who utilize a private non-metered source of water (such as well water) shall pay sewer charges based upon a usage of 4,500 gallons per month. Such customers may be required by the sewer utility to install metering equipment to measure the actual volume of water usage.

Returned Check Fee

A service fee of fifteen dollars ($15.00) shall be charged for each check returned for insufficient funds.

Leak Adjustment Rate

An incremental charge of one dollar eight cents ($1.08) per 1,000 gallons shall be charged for all water billed in excess of the customer's historic usage for a water leak that is determined by Public Service Commission rules to be eligible for an adjustment of the sewer service charge.

Water Not Returned to Sewer

Where a user of the sanitary sewer system uses water annually averaging in excess of 10,000 gallons per month and maintains separately at the customer's expense a meter that measures the amount of water supplied a particular premises and not discharged into the sewer system, the rates and charges herein shall be applied only to the metered amount of water supplied to the premises and discharged into the sanitary sewer system.

Delayed Payment Penalty Charges

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the amount shown. The delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

Connection Fee

A connection fee of three hundred dollars ($300.00) shall be paid by each customer who makes a service connection from his property into the sanitary sewer system, except in the following cases:

A. An owner of property that has been previously assessed for sewer improvements under the provisions of the West Virginia Code; or

B. An owner of property or his predecessors in title, who has heretofore paid the costs of constructing the sewer, including the service line to which he connects, providing that the sewer and service line were installed in a manner acceptable to the utility and in compliance with Public Service Commission rules.

The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective on all bills rendered after November 27, 2000.

SPONSORED BY: Councilpersons Pugh, Cheuvront, Hickman, Ball, Roedersheimer

C:\WP51\DATA\PUB\8-31-20.ORD

Document # 0-962

Ord. to increase sewer rates from $2.01/1,000 gallons to $3.26/1,000

$1.00 designated for overflow

First reading 9/12/00

Final reading 9/26/00

ACTION TAKEN:

ADOPTED on first reading 9/12/00

ADOPTED on final reading 9/26/00

Mayor Jimmy Colombo

AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE 931.01 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Article 931.01, entitled "Water Rates", of the Codified Ordinances of the City of Parkersburg be amended and re-enacted to read as follows:

931.01 WATER RATES

(a) Establishing and Fixing Rates, Charges and Delayed Penalty Charges The following schedules of rates, charges and delayed penalty charges are hereby fixed and determined as the rates, charges and delayed penalty charges to be charged to consumers of the water works system of the City throughout the entire territory served.

SCHEDULE 1

Applicability

Service in entire territory except for service provided through use of booster stations.

Availability of Service

Available for general domestic, commercial and industrial service.

Rates

Minimum Customer Charge Seven dollars and fifty cents ($7.50) per month.

Volume Charge (in addition to Minimum Customer Charge) For all gallons used, two dollars and fifty-five ($2.55) cents per 1,000 gallons.

Meter Charge (in addition to Minimum Customer Charge and Usage Charge)

Meter Size (inches)	Charge per month
5/8 and 3/4	Included in Minimum Customer Charge
1	$ 5.97
2	$ 9.82
3	$ 14.17
4	$ 31.36
5	$ 51.85
6	$ 101.01

Delayed Payment Penalty

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

The utility shall not discontinue service to any customer for violation of rules and regulations or for non-payment of bills, without first having tried diligently to induce the customer to comply with its rules and regulations, or to pay his bills.

Service shall actually be discontinued only after at least twenty-four hours' written notice shall have been given to the customer by the utility that bills are five or more days delinquent.

SCHEDULE 2

Applicability

Service provided through use of booster stations.

Availability of Service

Available for general domestic, commercial and industrial service.

Rates

Minimum Customer Charge - Seven dollars ninety-four cents ($7.94) per month.

Volume Charge (in addition to Minimum Customer Charge)

For all gallons used, three dollars and seven cents ($3.07) per 1,000 gallons.

Meter Charge (in addition to Minimum Customer Charge and Usage Charge)

Meter Size (inches)	Charge per month
5/8 and 3/4	Included in Minimum Customer Charge
1	$ 5.97
2	$ 9.82
3	$ 14.17
4	$ 31.36
5	$ 51.85
6	$ 101.01

Delayed Payment Penalty

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

The utility shall not discontinue service to any customer for violation of rules and regulations or for non-payment of bills, without first having tried diligently to induce the customer to comply with its rules and regulations, or to pay his bills.

Service shall actually be discontinued only after at least twenty-four hours' written notice shall have been given to the customer by the utility that bills are five or more days delinquent.

SCHEDULE 3

Applicability

Service in entire territory.

Availability of Service

Available for private fire protection water supply.

Rates

Hydrants (Service Connection Size in Inches	Charge Per Month (each)
4	$ 7.86
6	$ 17.80
8 or larger	$ 31.40

Sprinkler Systems & Hose Connections (Service Connection Size in Inches	Charge Per Month (each)
4	$ 12.54
6	$ 28.27
8 or larger	$ 50.18

Delayed Payment Penalty

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

SCHEDULE 4

Applicability

Applicable to entire territory served.

Availability of Service

Available for general, domestic, commercial and industrial service.

Fees and Other Rates

Connection Fee - One inch and smaller

The connection fee shall be two hundred fifty dollars ($250.00) for each new water service line one inch and smaller, and shall include the tap of the main line, the service line from the main to the property line or curb stop and the meter installation including the meter pit or vault.

Connection Fee - Larger than One Inch

For service lines larger than one inch, the fee shall be the actual cost of the installation, and shall include the tap of the main, the service line from the main to the property line and the meter installation including the meter pit or vault. Upon receipt of an application for a service connection larger than one inch, the utility 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

settlement 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 excess will be promptly refunded to the applicant.

Reconnection Fee

Whenever the supply of water to any customer is turned off for violation of rules and regulations, nonpayment of bill or fraudulent use of water, there shall be a twenty dollar ($20.00) charge for re-established service.

Returned Check Fee

A service fee of fifteen dollars ($15.00) shall be charged for each check returned for insufficient funds.

Leak Adjustment Rate

An incremental charge of seventy cents ($0.70) per 1,000 gallons shall be charged for all water billed in excess of the customer's historic usage for a water leak that is determined by Public Service Commission rules to be eligible for an adjustment of the water service charge.

The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective on all bills rendered after November 27, 2000.

SPONSORED BY: Councilpersons Pugh, Cheuvront, Hickman, Ball, Roedersheimer

cument # 0-961

d. to adjust water rates and charge

r 1st 1,000 gallons ($2.55/1,000

llons)

irst reading 9/12/00

inal reading 9/26/00

CTION TAKEN:

ADOPTED on first reading 9/12/00

ADOPTED on final reading 9/26/00

Mayor Jimmy Colombo

The Council of the City of Parkersburg met in regular session Tuesday, September 12, 2000, at 7:30 PM in the Council Chambers on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by Council President, Ed Roedersheimer, who presided over the meeting. Councilman John Rockhold led the Lord's Prayer and the Pledge of Allegiance.

The Clerk noted the attendance as follows: ATTENDING: Councilmen Cammy Murray-Pugh, Dorsey Cheuvront, Mark Hickman, Nancy Myers, Jim Ball, Betty Mather, John Rockhold, Demo Dukes, and Ed Roedersheimer. ABSENT: None.

Others attending included Mayor Jimmy Colombo; City Attorney, Joe Santer; and City Clerk, Connie Shaffer.

Mrs. Myers moved, seconded by Mr. Ball, to dispense with the reading of the journal and approve the Council minutes of August 16, 2000, and August 23, 2000, the motion passed by unanimous vote.

REPORTS FROM STANDING OR SPECIAL COMMITTEES

Councilman Dukes reported to Council that he had heard many positive comments from several members of the 1092nd Battalion, who had marched in our parade during the Parkersburg Homecoming. They had received applause from the beginning of the parade to the end, marching behind a military band. The men said that Parkersburg showed they appreciated what the men did in 1950, and the men from New York, Pennsylvania, Ohio, and other states were amazed at their reception.

At this time, Council President, Ed Roedersheimer, presented Mayor Jimmy Colombo with a plaque the City received during the annual meeting of the West Virginia Municipal League held in Wheeling, West Virginia in August. The plaque was for our leadership in developing a web site for the City of Parkersburg. Mayor Colombo accepted the award and thanked City Council for helping to make these things possible.

Councilman John Rockhold also noted that City Clerk, Connie Shaffer, received the Clerk of the Year Award during our meeting in wheeling, presented by City Clerk, Janice Jones, Clerk of Wheeling, on behalf of their Association.

MESSAGE FROM THE EXECUTIVE:

Mayor Jimmy Colombo asked Police Chief, Tom Dent, to explain a recent change in traffic flow. Chief Dent reported that the City had received concerns about safety from several citizens in the 40th Street and Sayre Avenue area on the west side of Meadowcrest. Fortieth Street is narrow and the City looked at it and made it one way downhill not to interfere with traffic. The residents are pleased, he said, and as the weather worsens it should help. This was initiated by Endre Brown, who has written a thank-you letter to us about this.

Mayor Colombo said a preliminary crew of twenty-five from Lewis and Clark Expedition came down the river from Sistersville in two boats recently. There will be more in 2003, he said. They were re-enacting people from the past and we look forward to their return. This will be good for our school system, the Mayor said.

We just finished the Honey Festival this past week-end in the City Park. They have been gone from our park for a few years, and it very good to have them back. Harvest Moon will be this coming week-end with proceeds going to the Wood County Recreation Commission. Mayor Colombo also mentioned that one of four businesses in the State are in contention for an award (Hardee's) through the Soil Conservation Office. We will know on October 4th, he said.

RESOLUTION:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that the Finance Director be authorized to request approval from the State Tax Commissioner for the following budget revision within the General Fund for fiscal year 2000-2001 prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists:

GENERAL FUND

Revenue:

Dept.	Category	Increase	Decrease
299	Fund Balance		$18,176.00
305	Gross Sales Tax	$18,176.00	

MOTION:

Mr. Rockhold moved, seconded by Mr. Ball, for adoption of the resolution, and the motion passed by unanimous vote.

ORDINANCE, FIRST READING;

AN ORDINANCE AMENDING AND RE-ENACTING
ARTICLE 927.01 OF THE CODIFIED ORDINANCES
OF THE CITY OF PARKERSBURG

MOTION:

Mrs. Myers moved, seconded by Mr. Cheuvront, for adoption of the ordinance on first reading.

Councilwoman Myers asked for an explanation on the wet weather overflow.

Utility Board Manager, Clarence Cox, explained the problem of cross leakage into the sanitary sewer system that overloads and backs up into basements. We have had this problem for decades, he said. In 1995, there were provisions to find and remove these sources, but we don't have adequate funding. We believe total elimination to be financially impractical costing from $80 to $100 million dollars. The national debate is hoped to get a reasonable compromise, he said, but that will still be very expensive.

Mrs. Myers asked how much this increase would help and what he planned to do first. Mr. Cox said the $1.00 is for what they were ordered to do. In addition, they have included money in the flow charge for some interim projects that EEP has agreed on. They want to make upgrades in south Parkersburg capacity and two siphons on Worthington Creek which were built in the 1960's and undersized. We need to make changes to the plant to get water through the plant. They included funding for a flow study to evaluate what water is coming from where, he said.

The $1.00 would be used for other overflow matters that will have to be handled. It is not enough, but until we know from the State and Federal agencies, this is sufficient. The utility Board has 15 areas and have televised 177,000 feet and made many repairs in two areas.

Mrs. Mather asked if all residents were on the sewer system, and Mr. Cox said he thought there were more than 50 who were not on our system. She then asked if the fees were being collected timely, and Mr. Cox answered that about $50,000.00 was owed over 60 days. They turn water off and it irritates people, but they think it is necessary. He said they try to fairly and consistently explain why people should pay on time. Each month they deal with a few hundred people who don't pay on time, he said.

Councilman Ball asked how many homes had drains connected to the sewer systems, and if Council could help with that flow. Mr. Cox said it was a significant problem, but in the two areas they have worked they have not found nearly as many as they expected. A few dozen out of hundreds, he said. They are pursuing this and running into resistance, but they will have to pursue with authority, he said.

Councilman Rockhold asked about the contract we had with Vienna and if this increase would affect them. Mr. Cox said this has nothing to do with them, but if we make capital improvements at the plant it would have a minor impact on their capital costs. It is a perpetual agreement, he said, but can be cancelled, but thinks it is a good deal for both communities. It gives us support in operating the plant, and it is less for them than operating their own plant.

Mr. Hickman asked if Mr. Cox had ever used CDBG funds, and he answered that they have done various jobs with those funds but not in recent years. The areas they work have to qualify for those funds, he said.

Mr. Hickman then asked if the Utility Board worked with the Public Works Department on major excavations and plan their improvements. Mr. Cox said that after the City knows their paving projects, the Utility Board gets a copy of that information. To the extent they can, they get into those areas and make every effort they can. They address the water needs at that time. It is difficult, he said, because the list is not final until the end of the fiscal year, and almost impossible for them to get to them. His department and the public works department can work on this, and City Council can also help by getting their streets in sooner. Recently, they got a call about Brenda Avenue and the City agreed to stall paving for awhile. Some longer range planning could help because it takes more than a few days, he said.

Mrs. Mather asked how many employees were at the Utility Board, and Mr. Cox said 77 full time. She asked if he would need more people for everything he would like to do, and he said he would need two more in water maintenance and two more in sewer maintenance, and a rolling stock mechanic. They had a mechanic and he retired and they have not replaced him.

Mrs. Mather asked if we have trained anyone for that job, and Mr. Cox said we did not have anyone suitable. They have gone through that previously and it did not work out.

Mrs. Mather asked how many fire hydrants were out, and Mr. Cox said about 18 on any given day. They propose to replace all of the defective ones and the ones that work but can't get parts for, and that totals about 70. He reminded them that replacing hydrants would not increase water pressure, but they plan to replace them in the coming year.

Mrs. Mather said she thought the plant was built to serve Wood County. The sewer plant was built for Vienna, Parkersburg, and Lubeck Public Service District, Mr. Cox said. The plant was designed based on a formula provided by the federal government. The plant can still serve Vienna and Parkersburg. Lubeck could not afford to get to our plant, and built their own system, he said.

VOTE:

The motion passed by majority vote with all members voting "yes" with the exception of Mrs. Mather who abstained.

PUBLIC FORUM:

Mr. Jeff Bramer, 1006 Lakeview Avenue, complained about traffic going to fast up Lakeview and Emerson. The residents are requesting a stop sign at Avery and Lakeview making it 4-way, hoping it will slow traffic. He submitted a petition to the Clerk.

Mr. Paul Westfall, member of the Parkersburg Utility Board, distributed information to City Council concerning cost comparisons between the Utility Board and West Virginia American Water Company.

Marsha Burdette, 800 Rayon Drive, complained to City Council that Bosley Enterprises were encroaching on a 25' buffer that was to be on the Bosley property at their new facility at Ninth Avenue and Rayon Drive, adjacent to her property. She asked the City not to let it happen, and did not want to wait until the concrete was already poured.

The meeting adjourned at 8:40 PM.

Connie Shaffer
City Clerk

Council President

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. TB43-98

MOTION:

Mr. Rockhold moved, seconded by Mr. Cheuvront, for adoption of the resolution.

Councilman Rockhold asked if the Planning Director could explain this resolution. Donna Davis explained to Council that the Municipal Planning Commission voted against this resolution all along and they do not want to accept it. There are fifteen members.

Mr. Rockhold asked if there was an argument about this portion, who would fix any improvements, Mrs. Davis said they were voting on just the nine feet tonight. Mr. Rockhold said if we don't take the whole thing it would create more problems. We are not sure at this time who can park there and if it is not a City street it must be something else, he said. He does not like that the developer did not do what his permits said he could do.

Mr. Dave Pasadyn, who lives at 4016 10th Avenue and owns property on 9th Avenue, reminded Council that they approved 40' in March, 2000. This is basically a driveway, he said, and he does not think Council should accept the additional 9'. He did not oppose it in March because it was supposed to be 40' from his property. He feels Bosley Enterprises should maintain this 9'.

Mayor Colombo said that it is a 44' road with two 6" curbs and 2' of dirt on each side.

Councilwoman Mather said that the reason the Planning Commission turned this request down was that Bosley Enterprises did not meet specifications. If we allow this for one, other people will do the same thing. It is a matter of principle, she said.

Councilman Dukas said that representatives from Bosley Enterprises had assured Council that the 40' was sufficient, but they built the road for 44'. If we allow developers to do as they please, we should get rid of the inspectors, he said. It should have been 40' and thinks it is an injustice to the people involved.

VOTE:

The motion failed, as follows:

VOTING 'YES'	VOTING 'NO'
Mrs. Pugh	Mr. Cheuvront
Mrs. Mather	Mr. Hickman
Mr. Rockhold	Mr. Ball
Mr. Roedersheimer	Mr. Dukas

ORDINANCE, FINAL READING:

AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE 931.01 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Article 931.01, entitled "Water Rates", of the Codified Ordinances of the City of Parkersburg be amended and re-enacted to read as follows:

931.01 WATER RATES

(a) Establishing and Fixing Rates, Charges and Delayed Penalty Charges. The following schedules of rates, charges and delayed penalty charges are hereby fixed and determined as the rates, charges and delayed penalty charges to be charged to consumers of the water works system of the City throughout the entire territory served.

SCHEDULE 1

Applicability

Service in entire territory except for service provided through use of booster stations.

Availability of Service

Available for general domestic, commercial and industrial service.

Rates

Minimum Customer Charge. Seven dollars and fifty cents ($7.50) per month.

Volume Charge (in addition to Minimum Customer Charge). For all gallons used, two dollars and fifty-five ($2.55) cents per 1,000 gallons.

Meter Charge (in addition to Minimum Customer Charge and Usage Charge)

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7843-99

Meter Size (inches)	Charge per month
5/8 and 3/4	Included in Minimum Customer Charge
1	$ 5.97
2	$ 9.82
3	$ 14.17
4	$ 31.36
5	$ 51.85
6	$ 101.01

Delayed Payment Penalty

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

The utility shall not discontinue service to any customer for violation of rules and regulations or for non-payment of bills, without first having tried diligently to induce the customer to comply with its rules and regulations, or to pay his bills.

Service shall actually be discontinued only after at least twenty-four hours' written notice shall have been given to the customer by the utility that bills are five or more days delinquent.

SCHEDULE 2

Applicability

Service provided through use of booster stations.

Availability of Service

Available for general domestic, commercial and industrial service.

Rates

Minimum Customer Charge - Seven dollars ninety-four cents ($7.94) per month.

Volume Charge (in addition to Minimum Customer Charge)

For all gallons used, three dollars and seven cents ($3.07) per 1,000 gallons.

Meter Charge (in addition to Minimum Customer Charge and Usage Charge)

Meter Size (inches)	Charge per month
5/8 and 3/4	Included in Minimum Customer Charge
1	$ 5.97
2	$ 9.82
3	$ 14.17
4	$ 31.36
5	$ 51.85
6	$ 101.01

Delayed Payment Penalty

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

The utility shall not discontinue service to any customer for violation of rules and regulations or for non-payment of bills, without first having tried diligently to induce the customer to comply with its rules and regulations, or to pay his bills.

Service shall actually be discontinued only after at least twenty-four hours' written notice shall have been given to the customer by the utility that bills are five or more days delinquent.

SCHEDULE 1

Applicability

Service in entire territory.

Availability of Service

Available for private fire protection water supply.

Rates

Hydrants (Service Connection Size in Inches	Charge Per Month (each)
4	$ 7.86
6	$ 17.80
8 or larger	$ 31.40

Sprinkler Systems & Hose Connections (Service Connection Size in Inches	Charge Per Month (each)
4	$ 12.54
6	$ 28.27
8 or larger	$ 50.18

Delayed Payment Penalty

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

GARTO & HARRIS, INC., SPENCER, WV RECORDER NO. 7843-98

SCHEDULE 4

Applicability

Applicable to entire territory served.

Availability of Service

Available for general, domestic, commercial and industrial service.

Fees and Other Rates

Connection Fee - One inch and smaller

The connection fee shall be two hundred fifty dollars ($250.00) for each new water service line one inch and smaller, and shall include the tap of the main line, the service line from the main to the property line or curb stop and the meter installation including the meter pit or vault.

Connection Fee - Larger than One Inch

For service lines larger than one inch, the fee shall be the actual cost of the installation, and shall include the tap of the main, the service line from the main to the property line and the meter installation including the meter pit or vault. Upon receipt of an application for a service connection larger than one inch, the utility 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 settlement 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 excess will be promptly refunded to the applicant.

Reconnection Fee

Whenever the supply of water to any customer is turned off for violation of rules and regulations, nonpayment of bill or fraudulent use of water, there shall be a twenty dollar ($20.00) charge for re-established service.

Returned Check Fee

A service fee of fifteen dollars ($15.00) shall be charged for each check returned for insufficient funds.

Leak Adjustment Rate

An incremental charge of seventy cents ($0.70) per 1,000 gallons shall be charged for all water billed in excess of the customer's historic usage for a water leak that is determined by Public Service Commission rules to be eligible for an adjustment of the water service charge.

The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective on all bills rendered after November 1, 2000.

MOTION:

Mr. Rockhold moved, seconded by Mr. Cheuvront, for adoption of the ordinance on final reading.

At 7:50 PM, Council President Roedersheimer declared a public hearing open to give the citizens the opportunity to voice their opinion on this ordinance. No one appeared in favor of, nor opposed to, the ordinance and the public hearing was declared closed at 7:51 PM.

Councilman Rockhold said that even though this needs to be done, we have failed to look at other solutions and does not think this will serve the best interests of the community. Council has a responsibility to look at all possible solutions, he said.

VOTE:

The motion passed by unanimous vote.

ORDINANCE, FINAL READING:

AN ORDINANCE AMENDING AND RE-ENACTING
ARTICLE 927.01 OF THE CODIFIED ORDINANCES
OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Article 927.01, entitled "Schedule of Sewer Rates", of the Codified Ordinances of the City of Parkersburg be amended and re-enacted to read as follows:

927.01 SCHEDULE OF SEWER RATES

The following schedule of rates, charges, delayed payment penalty charges and connection fee are hereby fixed and determined as the rates, charges, delayed payment penalty charges and connection fee to be charged to customers of the City sewerage system throughout the entire territory served.

CARTO & HARRIS, INC., SPENCER, WV PHONE 927-2000

SCHEDULE

Applicability

Applicable in the entire territory served.

Availability of Service

Available for general domestic, commercial and industrial service.

Minimum Customer Charge

Each customer shall pay a total Customer Charge of eight dollars and fifty eight cents ($8.58) per month. One dollar ($1.00) of the Customer Charge is designated for use on wet weather overflow (SSO) abatement projects.

Volume Charge

In addition to the minimum customer charge, each customer shall pay three dollars twenty six cents ($3.26) per 1,000 gallons, based upon the metered amount of water supplied.

Well Water Customer Volume Charge

Sewer customers who utilize a private non-metered source of water (such as well water) shall pay sewer charges based upon a usage of 4,500 gallons per month. Such customers may be required by the sewer utility to install metering equipment to measure the actual volume of water usage.

Returned Check Fee

A service fee of fifteen dollars ($15.00) shall be charged for each check returned for insufficient funds.

Leak Adjustment Rate

An incremental charge of one dollar eight cents ($1.08) per 1,000 gallons shall be charged for all water billed in excess of the customer's historic usage for a water leak that is determined by Public Service Commission rules to be eligible for an adjustment of the sewer service charge.

Water Not Returned to Sewer

Where a user of the sanitary sewer system uses water annually averaging in excess of 10,000 gallons per month and maintains separately at the customer's expense a meter that measures the amount of water supplied a particular premises and not discharged into the sewer system, the rates and charges herein shall be applied only to the metered amount of water supplied to the premises and discharged into the sanitary sewer system.

Delayed Payment Penalty Charges

The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the amount shown. The delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

Connection Fee

A connection fee of three hundred dollars ($300.00) shall be paid by each customer who makes a service connection from his property into the sanitary sewer system, except in the following cases:

A. An owner of property that has been previously assessed for sewer improvements under the provisions of the West Virginia Code; or

B. An owner of property or his predecessors in title, who has heretofore paid the costs of constructing the sewer, including the service line to which he connects, providing that the sewer and service line were installed in a manner acceptable to the utility and in compliance with Public Service Commission rules.

The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective on all bills rendered after November 27, 2000.

MOTION:

Mr. Rockhold moved, seconded by Mr. Dukas, for adoption of the ordinance on final reading.

At 7:52 PM, Council President Roedersheimer declared a public hearing open to give the citizens an opportunity to voice their opinion on this ordinance. No one appeared and the hearing was declared closed at 7:53 PM.

VOTE:

The motion passed by majority vote with all members voting "yes" with the exception of Mrs. Mather, who abstained.

ORDINANCE, FINAL READING:

AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF THE SUM OF $408,100.00 FROM THE WEST VIRGINIA DEPARTMENT OF TRANSPORTATION AS FAIR COMPENSATION FOR THE TAKING OF PARCEL NO. 7-1 FOR USE IN THE CONSTRUCTION OF NEW STATE ROUTE 50 / CORRIDOR D

The Parkersburg News
The Parkersburg Sentinel
Marietta A.M.

[City of Parkersburg
P.O. Box 1627
Parkersburg, WV 26102]

Date: September 25,2000
Acct: L00540

INVOICE/AFFIDAVIT FOR LEGAL ADVERTISING

STACIE GANT

being first duly sworn, says that the " ARTICLE 931.01 " ..... hereto attached was printed in the:

..XX... Parkersburg News
..XX... Parkersburg Sentinel
..... **Marietta A.M.**

daily newspaper published in the City of Parkersburg, Wood County, West Virginia, and posted at the front door of the Court House for ..two..... successive weeks, the first publication and posting thereof being on the: ..18,25..... day(s) of ..September..... 20 00 and subsequent publication on the ..... day(s) of ..... 20 ..... .

*News – ..... " x 120 = ... words @ ..... $ .....
*Sent – ..... " x 120 = ... words @ ..... $ .....
N/S -- 16.75 x 120 = 2,010 words @ 0.266875 536.42
N/S – ..... " x ..... x ..... days $ .....
News – ..... " x ..... x ..... days $ .....
Sent – ..... " x ..... x ..... days $ .....
A.M. – ..... " x ..... x ..... days $ .....

Total Printer's Fee : $ 536.42 XX

Subscribed and sworn to before me this ..25..... day of ..September..... 20 00 .....

Melani Zyla
Notary Public for Wood County, WV

3-23-04
Commission Expires

Please return a copy of this invoice with your payment to:
PO Box 1787, Parkersburg WV 26102 Attn: Legal Advertising

*WV Residents Only

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1629-19th STREET PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MAR. 23, 2004

NOTICE OF PUBLIC HEARING

The Council of the City of Parkersburg met on T day, September 12, 2000, and adopted on first rea an ordinance to amend Article 931.01 to adjust w rates, as follows:

AN ORDINANCE AMENDING & RE-ENACTING ARTICLE 931.01 OF THE CODIFIED ORDINANC OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE C OF PARKERSBURG that Article 931.01, entitled "W Rates", of the Codified Ordinances of the City Parkersburg be amended and re-enacted to read as lows:

931.01 WATER RATES

(a) Establishing and Fixing Rates, Charges and layed Penalty Charges. The following schedules rates, charges and delayed penalty charges are her fixed and determined as the rates, charges and dela penalty charges to be charged to consumers of water works system of the City throughout the entire ritory served.

SCHEDULE 1

Applicability
Service in entire territory (except for service provi through use of booster stations.

Availability of Service
Available for general domestic, commercial and ind trial service.

Minimum Customer Charge
Seven dollars and fifty cents ($7.50) per month.

Volume Charge
(In addition to the Minimum Customer Charge) For gallons used, two dollars and fifty-five ($2.55) cents 1,000 gallons.

Meter Charge
(In addition to Minimum Customer Charge and Usa Charge):

Meter Size (inches)	Charge per month
5/8 and 3/4	Included in Min. Cust. Ch
1	$005.97
2	$009.82
3	$014.17
4	$031.36
5	$061.85
6	$101.01

Delayed Payment Penalty
The above schedule is net. On all accounts not paid or before the twentieth day after the billing date, ten p cent (10%) shall be added to the net amount show This delayed payment penalty is not interest and only be collected once for each bill where it is appropriate

The utility shall not discontinue service to any c tomer for violation of rules and regulations or for n payment of bills, without first having tried diligently induce the customer to comply with its rules and re City Council will hold a public hearing ing Tuesday, September 26, 2000, at 7:30 PM on second floor of the Council Chambers of the Muni Building at One Government Square, Parkersburg, 26101.

The public is cordially invited to attend this mee and give their opinion for or against this ordinance.

Connie Shaffer
City Clerk

Sept 18,25

The Parkersburg News
The Parkersburg Sentinel
Marietta A.M.

[City of Parkersburg]
P.O. Box 1627
Parkersburg, WV 26102
[ ]

Date: Sep
Acct: L00

INVOICE/AFFIDAVIT FOR LEGAL ADVERTISING

STACIE GANT

being first duly sworn, says that the " ARTICLE 927.01 " hereto attached was printed in the:

XX Parkersburg News
XX Parkersburg Sentinel
..... **Marietta A.M.**

daily newspaper published in the City of Parkersburg, Wood County, West Virginia, and posted at the front door of the Court House for two successive weeks, the first publication and posting thereon being on the: 18,25 day(s) of September 20 00, and subsequent publication on the ..... day(s) of ..... 20 ..... .

*News -- ..... " x 120 = ... words @ ..... $ .....
*Sent -- ..... " x 120 = ... words @ ..... $ .....
N/S -- 9.625 x120 = 1,155 words @ 0.266875 308.24
N/S -- ..... " x ..... x ..... days $ .....
News -- ..... " x ..... x ..... days $ .....
Sent -- ..... " x ..... x ..... days $ .....
A.M. -- ..... " x ..... x ..... days $ .....

Total Printer's Fee : $ 308.24

Subscribed and sworn to before me this 25 day of September 20 00

Melani Zyla
Notary Public for Wood County, WV

3-23-04
Commission Expires

Please return a copy of this invoice with your payment to:
PO Box 1787, Parkersburg WV 26102 Attn: Legal Advertising

*WV Residents Only

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1620 - 19th STREET PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MAR. 23, 2004

ARTICLE 927.01 ... OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF TH OF PARKERSBURG that Article 927.01, "Schedule of Sewer Rates", of the Codifie nances of the City of Parkersburg be amended enacted to read as follows:

927.01 SCHEDULE OF SEWER RATES

The following schedule of rates, charges, payment penalty charges and connection fee ar by fixed and determined as the rates, ch delayed payment penalty charges and connect to be charged to customers of the City sewera tem throughout the entire territory served.

SCHEDULE

Applicability
Applicable in the entire territory served.
Availability of Service
Available for general domestic, commercial and trial service.
Minimum Customer Charge
Each customer shall pay a total Customer Ch eight dollars and fifty eight cents ($8.58) per One dollar ($1.00) of the Customer Charge is nated for use on wet weather overflow (SSO) ment projects.
Volume Charge
In addition to the minimum customer charge customer shall pay three dollars twenty six ($3.26) per 1,000 gallons, based upon the m amount of water supplied.
Well Water Customer Volume Charge
Sewer customers who utilize a private non-m source of water (such as well water) shall pay charges based upon a usage of 4,500 gallo month. Such customers may be required by the utility to install metering equipment to measu actual volume of water usage.
Returned Check Fee
A service fee of fifteen dollars ($15.00) sh charged for each check returned for insufficient
Leak Adjustment Rate
An incremental charge of one dollar eight ($1.08) per 1,000 gallons shall be charged for a billed in excess of the customer's historic us water leak that is determined by Public Servic mission rules to be eligible for an adjustment sewer service charge.
Water Not Returned to Sewer
Where a user of the sanitary sewer system use annually averaging in excess of 10,000 gallo month and maintains separately at the cus expense a meter that measures the amount o supplied a particular premises and not discharg the sewer system, the rates and charges here be applied only to the metered amount of wat plied to the premises and discharged into the s sewer system.
Delayed Payment Penalty Charges
The above schedule is net. On all accounts not or before the twentieth day after the billing da percent (10%) shall be added to the amount The delayed payment penalty is not interest only to be collected once for each bill where it is priate.
Connection Fee
A connection fee of three hundred dollars ($ shall be paid by each customer who makes a connection from his property into the sanitary system, except in the following cases:

A. An owner of property that has been pre assessed for sewer improvements under the sions of the West Virginia Code; or
B. An owner of property or his predecessors who has heretofore paid the costs of construct sewer, including the service line to which he co providing that the sewer and service line were i in a manner acceptable to the utility and in com with Public Service Commission rules.

The schedule of rates, charges and delayed p charges herein established and fixed shall be e on all bills rendered after November 27, 2000.
SPONSORED BY: Councilpersons Pugh, Ch Hickman, Ball Roedersheimer.
City Council will consider this ordinance reading Tuesday, September 26, 2000, at 7:30 the second floor of the Council Chambers Municipal Building at One Government Squar ersburg, WV 26101.
The public is cordially invited to attend this and give their opinion for or against this ordina

Connie Shaffer
City Clerk

Sept 18,25

NOTICE OF PUBLIC HEARING

The Council of the City of Parkersburg met on Tuesday, September 12, 2000, and adopted on first reading an ordinance to amend Article 927.01 "Schedule of Sewer Rates", as follows:

AN ORDINANCE AMENDING & RE-ENACTING ARTICLE 927.01 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Article 927.01, entitled "Schedule of Sewer Rates", of the Codified Ordinances of the City of Parkersburg be amended and re-enacted to read as follows:

927.01 SCHEDULE OF SEWER RATES

The following schedule of rates, charges, delayed payment penalty charges and connection fee are hereby fixed and determined as the rates, charges, delayed payment penalty charges and connection fee to be charged to customers of the City sewerage system throughout the entire territory served.

SCHEDULE

Applicability
Applicable in the entire territory served.

Availability of Service
Available for general domestic, commercial and industrial service.

Minimum Customer Charge
Each customer shall pay a total Customer Charge of eight dollars and fifty eight cents ($8.58) per month. One dollar ($1.00) of the Customer Charge is designated for use on wet weather overflow (SSO) abatement projects.

Volume Charge
In addtion to the minimum customer charge, each customer shall pay three dollars twenty six cents ($3.26) per 1,000 gallons, based upon the metered amount of water supplied.

Well Water Customer Volume Charge
Sewer customers who utilize a private non-metered source of water (such as well water) shall pay sewer charges based upon a usage of 4,500 gallons per month. Such customers may be required by the sewer utility to install metering equipment to measure the actual volume of water usage.

Returned Check Fee
A service fee of fifteen dollars ($15.00) shall be charged for each check returned for insufficient funds.

Leak Adjustment Rate
An incremental charge of one dollar eight cents ($1.08) per 1,000 gallons shall be charged for all water billed in excess of the customer's historic usage of water leak that is determined by Public Service Commission rules to be eligible for an adjustment of the sewer service charge.

Water Not Returned to Sewer
Where a user of the sanitary sewer system uses water annually averaging in excess of 10,000 gallons per month and maintains seperately at the customers expense a meter that measures the amount of water supplied a particular premises and not discharged into the sewer system, the rates and charges herein shall be applied only to the metered amount of water supplied to the premises and discharged into the sanitary sewer system.

Delayed Payment Penalty Charges
The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the amount shown. The delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

Connection Fee
A connection fee of three hundred dollars ($300.00) shall be paid by each customer who makes a service connection from his property into the sanitary sewer system, except in the following cases:

A. An owner of property that has been previously assessed for sewer improvements under the provisions of the West Virginia Code; or
B. An owner of property or his predecessors in title, who has heretofore paid the costs of constructing the sewer, including the service line to which he connects, providing that the sewer and service line were installed in a manner acceptable to the utility and in compliance with Public Service Commission rules.

The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective on all bills rendered after November 27, 2000.

SPONSORED BY: Councilpersons Pugh, Cheuvront, Hickman, Ball Roedersheimer.

City Council will consider this ordinance on final reading Tuesday, September 26, 2000, at 7:30 PM on the second floor of the Council Chambers of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The public is cordially invited to attend this meeting and give their opinion for or against this ordinance.

Connie Shaffer
City Clerk

Sept 18,25 N-S

Woodridge Plantation
Mineral Wells WV

6 $101.01

Delayed Payment Penalty
The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

The utility shall not discontinue service to any customer for violation of rules and regulations or for non payment of bills, without first having tried diligently to induce the customer to comply with the rules and regulations, or to pay his bills.

Service shall actually be discontinued only after at least twenty-four hours' written notice shall have been given to the customer by the utility that bills are five or more days delinquent.

SCHEDULE 3

Applicability
Service in entire territory.

Availability of Service
Available for private fire protection water supply.

Rates:

Hydrants (Service

Connection Size in Inches)	Chrg. Per Month (each
4	$07.86
6	$17.80
8 or larger	$31.40

Sprinkler Systems & Hose Connections (Service

Connection Size in Inches	Chrg. Per Month (each
4	$12.54
6	$28.27
8 or larger	$50.18

Delayed Payment Penalty
The above schedule is net. On all accounts not paid on or before the twentieth day after the billing date, ten percent (10%) shall be added to the net amount shown. This delayed payment penalty is not interest and only to be collected once for each bill where it is appropriate.

SCHEDULE 4

Applicability
Applicable to entire territory served.

Availability of Service
Available for general, domestic, commercial and industrial service.

Fees and other Rates:

Connection Fee
One inch and smaller

The connection fee shall be two hundred fifty dollars ($250.00) for each new water service line one inch and smaller, and shall include the tap of the main line, the service line from the main to the property line or curb stop and the meter installation including the meter pit or vault.

Connection Fee
Larger than One Inch

For service lines larger than one inch, the fee shall be the actual cost of the installation, and shall include the tap of the main, the service line from the main to the property line and the meter installation including the meter pit or vault. Upon receipt of an application for a service connection larger than one inch, the utility 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 settlement 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 excess will be promptly refunded to the applicant.

Reconnection Fee
Whenever the supply of water to any customer is turned off for violation of rules and regulations, nonpayment of bill or fraudulent use of water, there shall be a twenty dollar ($20.00) charge for re-established service.

Returned Check Fee
A service fee of fifteen dollars ($15.00) shall be charged for each check returned for insufficient funds.

Leak Adjustment Rate
An incremental charge of seventy cents ($0.70) per 1,000 gallons shall be charged for all water billed in excess of the customer's historic usage for a water leak that is determined by Public Service Commission rules to be eligible for an adjustment of the water service charge.

The schedule of rates, charges and delayed payment charges herein established and fixed shall be effective on all bills rendered after November 27, 2000.

SPONSORED BY: Councilpersons Pugh, Cheuvront, Hickman, Ball Roedersheimer.

City Council will consider this ordinance on final reading Tuesday, September 26, 2000, at 7:30 PM on the second floor of the Council Chambers of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The public is cordially invited to attend this meeting and give their opinion for or against this ordinance.

Connie Shaffer
City Clerk

Sept 18,25 N-S

Open 24 hours. 18 to enter. www.ilensdenadult.com
As if summer wasn't hot enough already.

Scoreboard

Monday's Olympic Scores
By The Associated Press

Basketball
Men

Russia 88, Angola 85
Lithuania 85, New Zealand 75
China 85, Italy 76
United States 106, France 94
Canada 83, Yugoslavia 75
Australia 91, Spain 80

Field Hockey
Men

Argentina 5, Spain 1

Women
Medal Pool

Argentina 2, China 1
Australia 5, Netherlands 0

Classifications

Britain 3, South Africa 2
Germany 3, South Korea 2, 2OT
New Zealand 2, Spain 2, tie

Softball
Semifinals

Japan 1, Australia 0
United States 3, China 0, 10 Innings Final
United States 1, Australia 0

Team Handball
Women

Denmark 39, Brazil 26
South Korea 31, Angola 24
Norway 24, Austria 21
France 21, Romania 18

Volleyball
Men

Russia 3, Argentina 0 (25-23, 25-15, 25-20)
Netherlands 3, Spain 1 (25-18, 25-17, 24-26, 25-21)
Brazil 3, Cuba 0 (28-26, 30-28, 25-18)
Yugoslavia 3, South Korea 2 (24-26, 25-20, 25-23, 19-25, 15-8)
Australia 3, Egypt 0 (25-17, 25-23, 25-22)
Italy 3, United States 1 (21-25, 25-18, 25-18, 25-18)

Water Polo
Men

United States 12, Netherlands 8
Italy 6, Spain 5
Croatia 8, Hungary 7
Russia 9, Kazakstan 7
Yugoslavia 10, Greece 3
Australia 11, Slovakia 6

LEGAL ADVERTISEMENTS

LEGAL NOTICE

STATE SOIL CONSERVATION COMMITTEE OF WV
NOTICE OF ELECTION OF SUPERVISORS BY COUNTIES TO BE HELD FOR THE
LITTLE KANAWHA SOIL CONSERVATION DISTRICT

To all owners of lands lying within the boundaries of the Little Kanawha Soil Conservation District, notice is hereby given that on the 3rd day of October 2000, during regular business hours, an election will be held for the election of two supervisors in Wood County of the Little Kanawha Soil Conservation District of the State of West Virginia.

All persons, firms and organizations who hold title to three or more acres of lands lying within the boundaries of the said district are eligible to vote at the said election. Only such persons, firms or corporations are eligible to vote.

Voting divisions and polling places comprising lands within all of Wood County.

Division #1 - Polling place located at
WV Division of Forestry
2309 Gihon Road
Parkersburg, WV 26101

Division #2 - Polling place located at
Little Kanawha SCD
USDA Agricultural Center, Mill Run Road
Parkersburg, WV 26101
Business hours: 8:00 a.m. to 4:00 p.m.

Eligible voters residing within the District shall cast their ballots at the polling places in the county wherein they reside and for a supervisor in that county only. Eligible voters not residing within the District shall cast their ballots at the polling place for the county, which includes their land or the greater part thereof. Eligible voters who will be absent from their county on the day of the election may apply in person or in writing to Jessica Nichols, Polling Superintendent, Rt.5, Box 1000, Parkersburg, WV 26101 for absentee ballots. Each applicant for an absentee ballot shall state his name, residence, location and acreage of land owned, and interest therein.

STATE SOIL CONSERVATION COMMITTEE
BY: Gus R. Douglass, Chairman
17th day of August, 2000

Aug 22, Sept 25
Aug 23, Sept 27

LEGAL ADVERTISEMENTS

LEGAL NOTICE

The City of Parkersburg will receive sealed bids for
RESCUE, AMBULANCE, EMERGENCY VEHICLE FO
THE FIRE DEPARTMENT (RE-BID). Bids will be receive
in the office of the Purchasing Director, fifth floor,
Government Square, until 2:00 P.M., WEDNESDA
OCTOBER 25, 2000 and at that time all bids shall be pu
licly opened and read aloud.

Interested bidders may receive bid information and spe
ifications in the Office of the Purchasing Agent.

Vendors shall be registered in the State of West Virginia

THE CITY OF PARKERSBURG IS AN EQUAL OPPO
TUNITY EMPLOYER AND DOES NOT DISCRIMINAT
ON THE BASIS OF DISABILITY IN THE ADMISSION O
ACCESS TO, OR TREATMENT OR EMPLOYMENT I
ITS PROGRAMS OR ACTIVITIES.

Judy Farner
Purchasing Director

Sept 25

NOTICE OF PUBLIC HEARING

The Council of the City of Parkersburg met on Tue
day, September 12, 2000, and adopted on first readi
an ordinance to amend Article 931.01 to adjust wat
rates, as follows:

AN ORDINANCE AMENDING & RE-ENACTING ARTICLE 931.01 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CIT
OF PARKERSBURG that Article 931.01, entitled "Wat
Rates", of the Codified Ordinances of the City
Parkersburg be amended and re-enacted to read as fo
lows:

931.01 WATER RATES

(a) Establishing and Fixing Rates, Charges and D
layed Penalty Charges. The following schedules
rates, charges and delayed penalty charges are hereb
fixed and determined as the rates, charges and delaye
penalty charges to be charged to consumers of th
water works system of the City throughout the entire te
ritory served.

SCHEDULE 1

Applicability
Service in entire territory except for service provide
through use of booster stations.

Availability of Service
Available for general domestic, commercial and indu
trial service.

Minimum Customer Charge
Seven dollars and fifty cents ($7.50) per month.

Volume Charge
(in addtion to the Minimum Customer Charge) For a
gallons used, two dollars and fifty-five ($2.55) cents pe
1,000 gallons.

Meter Charge
(in addition to Minimum Customer Charge and Usag
Charge):

Meter Size (Inches)	Charge per month
5/8 and 3/4	Included in Min. Cust. Chg
1	$005.97
2	$009.82
3	$014.17
4	$031.36
5	$051.85
6	$101.01

Delayed Payment Penalty
The above schedule is net. On all accounts not paid o
or before the twentieth day after the billing date, ten pe
cent (10%) shall be added to the net amount shown
This delayed payment penalty is not interest and only
be collected once for each bill where it is appropriate.

The utility shall not discontinue service to any cus
tomer for violation of rules and regulations or for no
payment of bills, without first having tried diligently
induce the customer to comply with its rules and reg
lations, or to pay his bills.

Service shall actually be discontinued only after
least twenty-four hours' written notice shall have bee
given to the customer by the utility that bills are five
more days delinquent.

SCHEDULE 2

Applicability
Service provided through use of booster stations.

Availability of Service
Available for general domestic, commercial and indu
trial service.

Rates:

Minimum Customer Charge
Seven dollars ninety-four cents ($7.94) per month.

Volume Charge (in addition to Min. Customer Charge
For all gallons used, three dollars and seven cent
($3.07) per 1,000 gallons:

Meter Charge (in addition to Min. Customer Charg
and Usage Charge):

Meter Size (Inches)	Charge per month
5/8 and 3/4	Included in Min. Cust. Chg
1	$005.97
2	$009.82
3	$014.17
4	$031.36
5	$051.85

The Council of the City of Parkersburg met in regular session Tuesday, January 28, 2003, at 7:30 PM in the Council Chambers of the Municipal Building at One Government Square, second floor, Parkersburg, WV 26101.

The meeting was called to order by Council President, Ed Roedersheimer, who led the Lord's Prayer and the Pledge of Allegiance. The Clerk noted the attendance as follows: Members present included Sheila Hunley, Dorsey Chauvront, Brad Kimes, Hampden Fitcher, Sharyn Tallman, Betty Mather, Bob Goff, Demo Dukas, and Ed Roedersheimer. Mayor Jimmy Colombo, City Attorney Joseph Santer, and City Clerk Connie Shaffer were also present.

MINUTES – Mr. Fitcher moved, seconded by Mrs. Mather, to dispense with the reading of the journal and approve the minutes from January 14, 2003, and the motion was adopted by unanimous vote.

There were no reports from standing or special committees.

MESSAGE FROM THE EXECUTIVE: Mayor Jimmy Colombo took this opportunity to discuss and explain how monies come into and go out of the general fund. This explanation was offered due to comments made at our last Council meeting when the ordinance was discussed concerning the proposed fee for the Fire Department during vehicle accidents. The Mayor stated that $1,500,000.00 is collected to operate the Fire Department, and their total budget is $4,000,000.00. The fee would help offset some of those costs. That ordinance will give the City the authority to bill for clean-ups when necessary. There are some departments that have separate funds, but the Fire Department is not one of them. The City is audited yearly by the State of West Virginia.

The Clerk presented a communication from Mayor Colombo re-appointing Mr. John Blomberg, 2900 Brookside Circle, to the Façade Committee for a term to expire January 1, 2006.

MOTION: Mr. Goff moved, seconded by Mrs. Hunley, to confirm the nomination, and the motion passed by unanimous vote.

RESOLUTION:

RESOLUTION AUTHORIZING THE AMENDMENT
OF THE TRUST INDENTURE DATED AS OF
DECEMBER 1, 1984, AND THE EXECUTION
AND DELIVERY OF THE SUPPLEMENTAL
TRUST INDENTURE; AND AUTHORIZING
OTHER NECESSARY ACTION

WHEREAS, the City of Parkersburg, West Virginia the "City"), acting by and through the City Council of the City of Parkersburg, West Virginia (the "Council"), is a political subdivision duly organized and existing under the laws of the State of West Virginia; and

WHEREAS, by Resolution adopted on August 28, 1984 the City adopted a Resolution approving a project (the "Project") for B-H Associates, a Pennsylvania limited partnership (the "Partnership"), entailing the acquiring, constructing and equipping of certain commercial development facilities consisting of a hotel complex with parking facilities located in the City; and

WHEREAS, the City issued its Floating Rate Industrial Development Revenue Bonds, Series of 1984 (B-H Associates Project), in the principal amount of$3,500,000 ("1984 Notes"), for the purpose of financing the Project pursuant to the provisions of the Industrial Development and Commercial Development Bond Act, Chapter 13, Article 2C of the Code of West Virginia of 1931, as amended (the "Act");

WHEREAS, the City entered into a Loan Agreement with the Partnership dated as of December 1, 1984 (the " Agreement"), in order to finance the Project, and a portion of its related costs, through the issuance of the 1984 Notes; and

WHEREAS, the 1984 Notes were issued pursuant to a Trust Indenture dated as of December 1, 1984 from the City to Continental Bank, Norristown, Pennsylvania, as Trustee (the "Trustee"); ~d

WHEREAS, the interests of the Partnership were subsequently conveyed to anew owner (also, the "Partnership") which has assumed all of the obligations of the Partnership under Loan Agreement; and

WHEREAS, the Credit Facilities securing the 1984 Notes by Fidelity Bank, N.A. and Credit Suisse, respectively, were replaced with a Letter of Credit isaued by United Bank, Inc. and a Confirmation issued Pittsburgh National Bank pursuant to a Supplemental Trust Indenture dated as of December 1, 1990; and

WHEREAS, JP Morgan Trust Co., N.A., as the current trustee under the Trust Indenture, as supplemented to date (the "Indenture"), has given notice of its resignation pursuant to Section 10.10 of the Indenture; and
WHEREAS, the City has the obligation to appoint a successor trustee to fill the vacancy pursuant to Section 10.12 of the Indenture;

NOW, THEREFORE, BE IT RESOLVED by the City of Parkersburg, West Virginia, that:

1. The City hereby accepts and consents to the resignation of J .P .Morgan Trust Co., N.A., as the trustee under the Indenture.

2. The City hereby appoints United Bank, Inc. as the successor trustee under the Indenture, such appointment to be effective immediately upon receipt by the City of the written acceptance by United Bank, Inc. of its appointment as successor trustee under the Indenture and its obligations thereunder .

3. The Mayor and City Clerk are hereby authorized, empowered and directed on behalf of the City to execute any and all papers and documents necessary or appropriate to accomplish the amendment of the Indenture and all other purposes of this Resolution.

4. All prior resolutions or parts thereof inconsistent herewith are hereby rescinded, cancelled and annulled.

5. The Bonds shall continue to be payable solely from the Revenues (as defined in the Indenture) derived from the Project or the financing thereof and shall not constitute an indebtedness or general obligation of the City within the meaning of any constitutional provision.

6. Copies of the foregoing documents, together with all other documents relating to the transactions authorized hereby, in final form, as executed and delivered by the parties thereto shall be filed in the official records of the City.

MOTION:

Mr. Cheuvront moved, seconded by Mr. Goff, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION:

RESOLUTION STATING THE REASONABLE EXPECTATION OF THE CITY COUNCIL OF THE CITY OF PARKERSBURG TO REIMBURSE THE CITY OF PARKERSBURG FOR CAPITAL EXPENDITURES IN CONNECTION WITH THE PLANNING AND DESIGN OF SEWERAGE SYSTEM FACILITIES AND IMPROVEMENTS MADE PRIOR TO THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS

WHEREAS, the Parkersburg Utility Board ("PUB"), a board established by ordinance of The City of Parkersburg (the "City") has recommended to the City Council that the City, by and through PUB, plan and design certain improvements to the sewerage portion of the City's existing combined waterworks and sewerage system, consisting generally of a substantial upgrade to the sewage treatment plant, such planning and design herein called the "Project" and the cost thereof estimated not to exceed $1,500,000;

WHEREAS, such costs will be paid from PUB ' s Sewer Operating Account and not from the City's General Fund; and

WHEREAS, the Council reasonably expects that the City will reimburse such Sewer Operating Account for a portion of the cost of the Project in an amount not to exceed $1,500,000, from the proceeds of sale of tax-exempt combined waterworks and sewerage system revenue bonds or temporary design notes (the "Bonds") anticipated to be hereinafter issued by the City in one or more series;

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

Section 1. The City Council of The City of Parkersburg reasonably expects that the City will reimburse itself for certain capital expenditures made not more than 60 days prior to the date of adoption of this resolution (and after the date of such adoption, but prior to the issuance of the Bonds) in connection with the Project, such capital expenditures to be undertaken or incurred prior to the execution and delivery of the Bonds, from the proceeds of such Bonds, which are reasonably expected to be executed and delivered within 18 months from the later of (i) the expenditure for payment of said costs or (ii) the placing of the Project in service.

Section 2. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended (the "Reimbursement Regulations").

Section 3. The source of payment for such capital expenditures will be PUB's Sewer Operating Account, and upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures will be applied to reimbursement of such Sewer Operating Account, such allocation to be made within 30 days following the date of issuance of the Bonds and to not exceed $1,500,000.

Section 4. The maximum principal amount of Bonds to be issued for the Project is $1,500,000.

Section 5. The City shall provide written evidence of all reimbursement allocations within 30 days following issuance of the Bonds.

Section 6. This Resolution shall become effective on the date of its adoption.

Adopted this January 28,2003.

CITY OF PARKERSBURG

MOTION:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Subsection A, Holidays, of the City of Parkersburg Personnel Policy and Procedure Manual be amended and re-enacted as follows:

A. Holidays

Effective January 1, 2003, City employees will observe holidays as designated and set forth in West Virginia Code Chapter 2-2-1. In addition, the City employees will observe a one-half (1/2) day holiday for Christmas Eve. January 1 each year employees will receive a list of holidays for that year.

(1) Supervisors shall make reasonable accommodation to an employee's religious holidays as required by law. The time off for such holidays shall be charged against the employees accrued annual leave an application therefore shall be the same as application for annual leave.

(2) Holiday pay is covered under the Compensation Plan.

MOTION:

Mr. Goff moved, seconded by Mr. Kimes, to adopt the ordinance on final reading, and the motion passed by unanimous vote.

ORDINANCE, FINAL READING:

AN ORDINANCE AMENDING AND RE-ENACTING SECTION 745.01 OF ARTICLE 745, ITINERANT VENDORS, OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

THE COUNCIL OF THE CITY OF PARKERSBURG HEREBY ORDAINS that Section 745.01 (as it relates to the annual license fee and $5,000.00 special deposit) be hereby amended and re-enacted as follows:

745.01 – eliminates paragraphs three (3) and four (4); and

Paragraph 5. The annual license fee to carry on the business of itinerant vendor shall be fifteen dollars ($15.00) and no such license shall be issued or such license tax assessed for any period of less than one year.

MOTION:

Mr. Goff moved, seconded by Mr. Kimes, to adopt the ordinance on final reading.

Councilman Cheuvront asked if the City of Parkersburg had been challenged on this ordinance, and City Attorney, Joe Santer, said we had received two communications from Hornier Distributing Company from Indiana. They said they would file suit since the ordinance was against the commerce clause of the Constitution.

VOTE:

The motion passed by unanimous vote.

ORDINANCE, FIRST READING:

THE CITY OF PARKERSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF P ARKERSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $3,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); AUTHORIZING THE DESIGN OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE TEMPORARY FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE OF THE CITY OF NOT MORE THAN $1,750,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN NOTES, SERIES 2003 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS AND NOTES; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELA TING TO SUCH BONDS AND NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELA TIN G THERETO.

MOTION:

Mr. Goff moved, seconded by Mr. Dukas, to adopt the ordinance on first reading.

Bond Counsel, Mr. Vince Collins and Mr. John Stump, from Steptoe and Johnson in Clarksburg, WV, appeared before Council and distributed an amended ordinance. City Attorney, Joe Santer, recommended that Council adopt the ordinance before them this evening and consider the amendments February 11, 2003.

VOTE:

The motion was adopted by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE ZONING RECENTLY ANNEXED PROPERTY INTO THE CITY OF PARKERSBURG, WOOD COUNTY, WEST VIRGINIA, AS AN R-3 ZONING DISTRICT

MOTION:

Mr. Cheuvront moved, seconded by Mr. Goff, to adopt the ordinance on first reading, and the motion was adopted by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE TO AMEND AND RE-ENACT ARTICLE 1327, 1347.04, 1347.05, 1349.02, 1349.03, 1349.04, and 1349.05 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

(Seven ordinances combined into one title)

MOTION:

Mr. Fitcher moved, seconded by Mrs. Mather, to adopt the ordinances on first reading, and the motion passed by unanimous vote.

PUBLIC FORUM – No one appeared.

There was no other business to come before Council, and the meeting adjourned at 8:07 PM.

Connie Shaffer
City Clerk

Council President

NOTICE OF PUBLIC HEARING ON
CITY OF PARKERSBURG BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Parkersburg (the "City") to be held on February 25, 2003, at 7:00 p.m. in the Council Chambers at the City Hall, Third Street, Parkersburg, West Virginia, and at such hearing any person interested may appear before the Council and present 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 CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $3,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM SYSTEM OF THE CITY AND THE RETAINING OF ENGINEERING SERVICES FOR SUCH DESIGN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,750,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS SERIES 2003 C (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 LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on February 11, 2003.

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 the costs of (i) acquisition and construction of betterments, additions and improvements to the waterworks system of the City, (ii) design of improvements and extensions to the existing public sewerage facilities of the City, and (iii) certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks or sewerage system of the City, as applicable. 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: February 11, 2003.

/s/ Connie Shaffer
City Clerk

Feb 13, 20

N.S.

SHERRY L. BRUNETT

being first duly sworn, says that the

"Notice of Bond Ordinance Hearing"

hereto attached was printed in the Parkersburg News and PARKERSBURG SENTINEL a DAILY newspaper published in the City of Parkersburg, Wood County, West Virginia, [redacted] for TWO successive weeks, the first publication [redacted] being on the 13th day of February [redacted] 2003, and subsequent publication on the 20th day of February [redacted] 2003, the [redacted] day of [redacted], the [redacted] day of [redacted], the [redacted] day of [redacted], and the [redacted] day of [redacted].

Printer's Fee $ 355.78 TOTAL

Sherry L. Brunett

Subscribed and sworn to before me this 21st day of February 2003.

Melani Zyla
Notary Public for Wood County, West Virginia

My commission expires 3-23-04

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1629-19th STREET PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MAR. 23, 2004

Parkersburg Printing Co. - 5/71

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: The City of Parkersburg
2 Issuer's employer identification number: 55 ¦ 6000227
3 Number and street (or P.O. box if mail is not delivered to street address): One Government Square
Room/suite:
4 Report number: 3 -01
5 City, town, or post office, state, and ZIP code: Parkersburg, WV 26102
6 Date of issue: March 4, 2003
7 Name of issue: Combined Waterworks & Sewerage System Rev. Bonds, Series 2003 B (WV Water Development Authority)
8 CUSIP number: N/A
9 Name and title of officer or legal representative whom the IRS may call for more information: Joseph T. Santer, Esquire
10 Telephone number of officer or legal representative: (304) 422.5590

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	3,250,000
16	☐ Housing	16	
17	☐ Utilities	17	
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
458 MAY 18 2003 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	10/01/2023	$ 3,250,000	$ 3,250,000	12.471 years	5.0004480 %

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	3,250,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	14,500		
25	Proceeds used for credit enhancement	25	-0-		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	-0-		
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	14,500
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	3,235,000

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	N/A years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	N/A years
33	Enter the last date on which the refunded bonds will be called ▶	N/A
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 ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐
40 If the issuer has identified a hedge, check box ▶ ☐

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 of issuer's authorized representative — March 4, 2003 Date — Jimmy Columbo, Mayor 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: March 4, 2003

(See Reverse for Instructions)

ISSUE: The City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003A (West Virginia Infrastructure Fund)

ADDRESS: Parkersburg Utility Board, 125 19th Street, Parkersburg, West Virginia 26101 COUNTY: Wood

PURPOSE OF ISSUE: New Money: X
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: March 4, 2003

CLOSING DATE: March 4, 2003

ISSUE AMOUNT: $4,000,000

RATE: 3%

1ST DEBT SERVICE DUE: September 1, 2004

1ST PRINCIPAL DUE: September 1, 2004

1ST DEBT SERVICE AMOUNT: $ 66,672.84

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: Vincent A. Collins, Esquire
Phone: (304) 624-8161

UNDERWRITERS COUNSEL: Jackson Kelly PLLC
Contact Person: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK: People's Bank
Contact Person: _____
Phone: (304) 428-2500

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Pat Martin
Position: Comptroller
Phone: (304) 424-8535

OTHER: WV Infrastructure Jobs Development Council
Contact Person: Katy Mallory, P.E.
Function: Executive Secretary
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE:
By: _____ Wire
_____ Check

____ Accrued Interest: $_____
____ Capitalized Interest: $_____
____ Reserve Account: $_____
____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire
_____ Check
_____ IGT

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
____ To Other: _____ $_____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

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

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

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specificed 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.

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

NEW ISSUE REPORT FORM

Date of Report: March 4, 2003

(See Reverse for Instructions)

ISSUE: The City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Water Development Authority)

ADDRESS: Parkersburg Utility Board, 125 19th Street, Parkersburg, West Virginia 26101 COUNTY: Wood

PURPOSE OF ISSUE: New Money: X
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: March 4, 2003

CLOSING DATE: March 4, 2003

ISSUE AMOUNT: $3,250,000

RATE: 5%

1ST DEBT SERVICE DUE: April 1, 2003

1ST PRINCIPAL DUE: October 1, 2003

1ST DEBT SERVICE AMOUNT: $ 12,187.50

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: Vincent A. Collins, Esquire
Phone: (304) 624-8161

UNDERWRITERS COUNSEL: Jackson Kelly PLLC
Contact Person: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK: People's Bank
Contact Person: _____
Phone: (304) 428-2500

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Pat Martin
Position: Comptroller
Phone: (304) 424-8535

OTHER: WV Infrastructure Jobs Development Council
Contact Person: Katy Mallory, P.E.
Function: Executive Secretary
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE:
By: _____ Wire
_____ Check

____ Accrued Interest: $_____
____ Capitalized Interest: $_____
____ Reserve Account: $_____
____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire
_____ Check
_____ IGT

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
____ To Other: _____ $_____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

CH581587.1

30B

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 specificed 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.

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

People's Bank, Parkersburg, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Parkersburg (the "Issuer") enacted by the Issuer on February 25, 2003, and a Supplemental Resolution adopted by the Issuer on February 25, 2003 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and Combined Waterworks and Sewerage System Revenue Bonds Series 2003 B (West Virginia Water Development Authority), each dated March 4, 2003, in the respective aggregate principal amounts of $4,000,000 and $3,250,000 (collectively 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 4th day of March, 2003.

PEOPLE'S BANK

Its: Authorized Officer

02/24/03
686870.00002

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

ACCEPTANCE OF DUTIES AS REGISTRAR

Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), each dated March 4, 2003, in the respective aggregate principal amounts of $4,000,000 and $3,250,000 (collectively the "Series 2003 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2003 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2003 Bonds.

WITNESS my signature on this 4th day of March, 2003.

HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02/18/03
686870.00002

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

CERTIFICATE OF REGISTRATION OF BONDS

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 Parkersburg (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), of the Issuer, dated March 4, 2003, in the principal amount of $4,000,000, numbered AR-1, and the single, fully registered Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), of the Issuer, dated March 4, 2003, in the principal amount of $3,250,000, numbered BR-1, were 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 Huntington National Bank, as Registrar.

WITNESS my signature on this 4th day of March, 2003.

HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02/24/03
686870.00002

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 A
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 B
(West Virginia Water Development Authority)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 4th day of March, 2003 by and between THE CITY OF PARKERSBURG, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $4,000,000 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and $3,250,000 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority), in fully registered form (collectively, the "Series 2003 Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted February 25, 2003, and a Supplemental Resolution of the Issuer duly adopted February 25, 2003 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2003 Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2003 Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2003 Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Series 2003 Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: The City of Parkersburg
c/o Parkersburg Utility Board
125 19th Street
Parkersburg, West Virginia 26101
Attention: Manager

REGISTRAR: Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2003 Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF PARKERSBURG

By: _____
Its: Mayor

HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02/24/03
686870.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group
900 Lee Street, 11th Floor
P. O. Box 3985
Charleston, West Virginia 25339-3985

Huntington

STATEMENT OF TRUSTEE'S FEES
Invoice Date March 3, 2003

THE CITY OF PARKERSBURG
Account Number 6089001809

The City of Parkersburg
Combined Waterworks and Sewerage System Revenue Bonds
C/O John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR March, 2003

****

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 3985, CHARLESTON, WV 25339-3985 ..... *

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

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 System Upgrade and
Three Water Storage Tanks and
Two Booster Stations

PERMIT NO.: 15,159

LOCATION: Parkersburg COUNTY: Wood DATE: 2-25-2002

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Parkersburg Utility Board
125 19th Street
Parkersburg, West Virginia 26102

is hereby granted approval to: install approximately 23,827 LF of 12", 8,925 LF of 10", 10,166 LF of 8", 20,900 LF of 6", 1,771 LF of 4" and 40 LF of 2" water line; one (1) 228 G. P.M. duplex water booster station; one (1) 377 G. P. M. duplex water booster station; upgrade the existing Sayre Avenue 360 G. P. M. duplex water booster station; add a 200,000 gallon elevated water storage tank; add a 400,000 gallon water storage tank; add a 300,000 gallon water storage tank; upgrade and rehabilitate the existing 1,200,000 gallon old south reservoir storage tank; and rehabilitate the existing radial collector Well Nos, 4 and 5.

Facilities serve the City of Parkersburg.

NOTE: **This permit is contingent upon: 1) All new water line and water storage tanks being disinfected, flushed and bacteriologically tested, prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line above the sewer line.**

The Office of Environmental Health Services Wheeling District Office, telephone (304)-238-1145, 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: Burgess & Niple, Limited
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Wood County Health Department
OEHS-EED Wheeling District Office

THE CITY OF PARKERSBURG, WEST VIRGINIA

COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996

BOND ORDINANCE

Table of Contents

RECITALS		1

ARTICLE I
DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01	Definitions	4
Section 1.02	Authority for this Ordinance	11
Section 1.03	Findings	11
Section 1.04	Ordinance Constitutes Contract	13

ARTICLE II
AUTHORIZATION OF REFUNDING AND COMBINING OF SYSTEMS; ESTABLISHMENT OF PARKERSBURG UTILITY BOARD

Section 2.01	Authorization of Refunding	14
Section 2.02	Combination of Waterworks System and Sewerage System; Establishment of Parkersburg Utility Board	14

ARTICLE III
THE BONDS

Section 3.01	Form and Payment of Bonds	15
Section 3.02	Execution of Bonds	15
Section 3.03	Authentication and Registration	16
Section 3.04	Negotiability and Registration	16
Section 3.05	Bonds Mutilated, Destroyed, Stolen or Lost	17
Section 3.06	Term Bonds	17
Section 3.07	Notice of Redemption	19
Section 3.08	Persons Treated as Owners	20
Section 3.09	Temporary Bonds	20

Section 3.10	Series 1996 Bonds	20
Section 3.11	Book Entry System for Series 1996 Bonds	21
Section 3.12	Delivery of Series 1996 Bonds	22
Section 3.13	Form of Series 1996 Bonds	23
Section 3.14	Disposition of Proceeds of Series 1996 Bonds	23
Section 3.15	Disbursements from the Construction Fund	24

ARTICLE IV
SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01	Establishment of Funds and Accounts with Depository Bank	25
Section 4.02	Establishment of Funds and Accounts with Bond Commission	25
Section 4.03	System Revenues and Application Thereof	25

ARTICLE V
INVESTMENTS; NON-ARBITRAGE;
REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01	Investments	30
Section 5.02	Arbitrage	31
Section 5.03	Tax Certificate and Rebate	31
Section 5.04	Continuing Disclosure Agreement	32

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01	Covenants Binding and Irrevocable	33
Section 6.02	Bonds not to be Indebtedness of the Issuer	33
Section 6.03	Bonds Secured by Pledge of Gross Revenues and Moneys in Sinking Fund	33
Section 6.04	Rates	33
Section 6.05	Operation and Maintenance	34
Section 6.06	Sale of the System	34
Section 6.07	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	35
Section 6.08	Additional Parity Bonds	35
Section 6.09	Insurance and Bonds	37
Section 6.10	Report on Consulting Engineers	38
Section 6.11	Services Rendered to the Board or Issuer	39
Section 6.12	Enforcement of Collections	39

Section 6.13	No Competing Franchise	39
Section 6.14	Books and Records	40
Section 6.15	Operating Budget	40
Section 6.16	Mandatory Connections	41
Section 6.17	Tax Covenants	41
Section 6.18	Covenants Regarding the Municipal Bond Insurance Policy	42

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01	Events of Default	43
Section 7.02	Enforcement	43
Section 7.03	Appointment of Receiver	44
Section 7.04	Restoration of Issuer and Bondholder	45

ARTICLE VIII
REGISTRAR AND PAYING AGENT

Section 8.01	Appointment of Registrar	46
Section 8.02	Responsibilities of Registrar	46
Section 8.03	Evidence on Which Registrar May Act	46
Section 8.04	Compensation and Expenses	46
Section 8.05	Certain Permitted Acts	46
Section 8.06	Resignation of Registrar	47
Section 8.07	Removal	47
Section 8.08	Appointment of Successor	47
Section 8.09	Transfer of Rights and Property to Successor	48
Section 8.10	Merger or Consolidation	48
Section 8.11	Adoption of Authentication	48
Section 8.12	Paying Agent	48

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01	Defeasance; Discharge of Pledge of Ordinance	50

ARTICLE X
MISCELLANEOUS

Section 10.01	Amendment of Ordinance	51
Section 10.02	Evidence of Signatures of Bondholders and Ownership of Bonds	51

Section 10.03	Preservation and Inspection of Documents	52
Section 10.04	Cancellation of Bonds	52
Section 10.05	Failure to Present Bonds	52
Section 10.06	Notices, Demands and Requests	53
Section 10.07	No Personal Liability	54
Section 10.08	Law Applicable	54
Section 10.09	Parties Interested Herein	54
Section 10.10	Severability of Invalid Provisions	54
Section 10.11	Table of Contents and Headings	54
Section 10.12	Conflicting Provisions Repealed	54
Section 10.13	Procedure on Enactment of Ordinance; Public Hearing	54
	SIGNATURES	55
	CERTIFICATION	56
	EXHIBIT A - BOND FORM	57

THE CITY OF PARKERSBURG, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE COMBINING OF THE OPERATION, MANAGEMENT AND CONTROL OF THE CITY'S HERETOFORE SEPARATE WATERWORKS SYSTEM AND SEWERAGE SYSTEM UNDER A SINGLE BOARD OR COMMISSION; THE REFUNDING OF THE CITY'S OUTSTANDING WATERWORKS REFUNDING REVENUE BONDS, SERIES 1994, AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1992; THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $33,000,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING 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; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Parkersburg, West Virginia (the "Issuer") presently owns and operates a municipal waterworks system (the "Waterworks System") and a municipal sanitary sewerage system (the "Sewerage System") separate and apart from each other, and has heretofore financed and refinanced the acquisition and construction of the Waterworks System and Sewerage System and certain additions, extensions and improvements thereto by the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the following:

(i) Waterworks Refunding Revenue Bonds, Series 1994, dated May 1, 1994, originally issued in the aggregate principal amount of $21,230,000, of which $21,045,000 is presently Outstanding (the "Series 1994 Bonds"); and

(ii) Sewerage System Refunding Revenue Bonds, Series 1992, dated February 1, 1992, originally issued in the aggregate principal amount of $12,525,000, of which $9,430,000 is presently Outstanding (the "Series 1992 Bonds").

WHEREAS, the Series 1994 Bonds and Series 1992 Bonds (collectively, the "Prior Bonds") were issued pursuant to ordinances of the Issuer respectively enacted on April 12, 1994 (Series 1994 Bonds) and February 4, 1992 (Series 1992 Bonds) (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinance");

WHEREAS, the Issuer has heretofore provided for the operation, management and control of its Waterworks System through a City department known as the "Parkersburg Water Department" in accordance with Chapter 8, Article 19 of the West Virginia Code of 1931, as amended, and for the operation, management and control of its Sewerage System through a board known as the "Parkersburg Sanitary Board," heretofore established by ordinance of the Issuer, in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended;

WHEREAS, under the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to combine its existing separate Waterworks System and Sewerage System into a single undertaking, and under the provisions of Chapter 13, Article 2E of the West Virginia Code of 1931, as amended, (the "Refunding Act"), to issue refunding revenue bonds to refund, pay or discharge all 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 Parkersburg and the users of the Waterworks System and Sewerage System to combine the operation, management and control of such systems under a single board or commission and to eliminate the existing Parkersburg Water Department and Parkersburg Sanitary Board;

WHEREAS, the Issuer has, by separate ordinance enacted concurrently herewith (the "Board Ordinance"), created the Parkersburg Utility Board (the "Board") to undertake the duties previously assumed by the Parkersburg Water Department and Parkersburg Sanitary Board as they relate to the operation, management and control of such systems; such Board, however, to be under the cognizance of and subordinate to the Director of Public Works of the Issuer (the "Director") until such time as the Charter of the City of Parkersburg (the "City Charter") is amended to eliminate such requirement;

WHEREAS, in order to combine such systems and comply with State law requirements and provisions of the Prior Ordinance, it is necessary for the Issuer to refund all of the Prior Bonds;

WHEREAS, the Issuer is advised that present value interest savings will be realized from the refunding of the Prior Bonds, and additionally has determined and hereby determines that certain efficiencies will be achieved by elimination of duplication of some services and facilities and by providing for a unified management of the Waterworks System and the Sewerage System;

WHEREAS, the Issuer has further determined and hereby determines that it shall be practicable and economically feasible to combine the operation of the Waterworks System and Sewerage System into a single combined utility system and that a refunding of all of the Prior Bonds (including the Series 1994 Bonds) is necessary to accomplish such purpose;

WHEREAS, the Issuer has further determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents to effect the combination of the existing Waterworks System and Sewerage System and to refund the Prior Bonds to their respective first Redemption Dates, both being June 1, 1996,in the manner set forth herein, with proceeds of the issuance of a series of bonds to be designated "The City of Parkersburg Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996" (the "Series 1996 Bonds"), in the maximum aggregate principal amount of $33,000,000, and other moneys of the Issuer, such Series 1996 Bonds to be secured by and payable from the Gross Revenues of the combined waterworks and sewerage system of the Issuer, and containing such other terms and provisions as are hereinafter provided; and

WHEREAS, the Issuer now desires to authorize the combination of its existing Waterworks System and Sewerage System into a single combined waterworks and sewerage system under the management and control of the Board, subject to the limitations and conditions set forth herein and in the Board Ordinance, and concurrently with such combination, the refunding of the Prior Bonds as aforesaid, and to provide for the financing thereof by the issuance of the Series 1996 Bonds as hereinafter provided;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PARKERSBURG 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 Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 1996 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 and Redemption Digest.

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

"Board" shall mean the Parkersburg Utility Board, to be created by an ordinance of the Issuer enacted concurrently herewith, or any successor thereto.

"Board Ordinance" means the ordinance of the Issuer enacted concurrently herewith creating the Parkersburg Utility Board.

"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 1996 Bonds, shall initially mean the bond insurer named in the Supplemental Resolution.

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

"Bonds" means, collectively, the Series 1996 Bonds, and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"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.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 1996 Bonds, in substantially the form set forth" in **EXHIBIT A - BOND FORM** hereto.

"City" or "Issuer" means The City of Parkersburg, a municipal corporation of the State of West Virginia, in Wood County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"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 similar terms means all those costs now or hereafter permitted by the Refunding Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Prior Bonds, interest accruing or to accrue thereon, redemption premiums, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Bonds and the refunding of the Prior Bonds.

"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, provided however, that for purposes of calculating the coverage requirements set forth in Sections 6.04 and 6.08 of this Ordinance, "Debt Service" shall mean the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period, less the amount of moneys transferred from the Reserve Account to the Revenue Fund on March 1, 2003 and March 1, 2019.

"Defeasance Obligations" shall have the meaning set forth in the Supplemental Resolution.

"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.

"Director" means the Director of Public Works of The City of Parkersburg.

"DTC-eligible" means, with respect to the Series 1996 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 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 1996 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" shall have the meaning set forth in the Supplemental Resolution.

"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 Accountant" means the West Virginia State Tax Department or 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.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 1996 Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 1996 Bonds in accordance with the terms thereof.

"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.

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"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, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the 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.

"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 the investment banking firm or firms, bank or banks set forth in the Supplemental Resolution, as the purchasers of the Series 1996 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 1996 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 1996 Bonds directly from the Issuer, as determined by a resolution supplemental hereto.

"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.

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

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Record Date" means the date or dates 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 or Prior Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith or with the Prior Ordinance.

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

"Refunding Act" means Chapter 13, Article 2E of the West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 1996 Bonds.

"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 Requirement" means the sum of $3,500,000 to, but not including March 1, 2003, and thereafter, the sum of $1,750,000.

"Revenue Fund" means the Revenue Fund created by Section 4.01 hereof.

"Series 1996 Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, 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, redemption provisions, Bond Insurer provisions and other terms of the Series 1996 Bonds and authorizing the sale of the Series 1996 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.

"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 and the complete existing municipal sanitary sewage treatment and collection system of the Issuer, consisting of a sewage treatment plant, collection and transportation lines and lift 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 or sewage treatment and collection system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks or sewage treatment and collection system from any sources whatsoever, both within and without the Issuer.

"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 Wood County of said State.

B. The Issuer now owns and operates the Waterworks System and the Sewerage System separate and apart from each other, the acquisition and construction of which have been financed and refinanced in part by the proceeds of the Prior Bonds which are currently outstanding in the aggregate principal amount of $30,475,000 and other bonds which have either been refunded by the Prior Bonds or are no longer outstanding.

C. The Issuer derives revenues from the Waterworks System and the Sewerage System. Revenues of the Waterworks System are pledged for payment of the Series 1994 Bonds and revenues of the Sewerage System are pledged for payment of the Series 1992 Bonds. Except for such pledges thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

D. It shall be practicable and economically feasible to combine the operation of the Waterworks System and Sewerage System into a single combined utility system and a refunding of all of the Prior Bonds (including the Series 1994 Bonds) is necessary to accomplish such purpose.

E. The Issuer intends to issue the Series 1996 Bonds and to pledge for payment thereof, the combined Gross Revenues of the heretofore separate Waterworks System and Sewerage System.

F. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding 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 Refunding 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.

G. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 1996 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 1996 Bonds show a net present value debt service savings to the Issuer after deducting all expenses of the refunding and the costs of issuing the Series 1996 Bonds; in addition it is hereby determined that efficiencies are expected to be achieved by combining the Waterworks System and the Sewerage System which will result in savings in operating costs which will augment such present value debt service savings, and that notwithstanding the existence of interest cost savings, and of the purposes of issuing such refunding bonds is to effect the release and termination of the liens, restrictions, conditions and limitations imposed in connection with the Prior Bonds, which must be released in order to permit combining of the Waterworks System and Sewerage System.

H. The Issuer shall not sell the Series 1996 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph G, above, based upon the actual principal amount, maturity schedule and interest rates for the Series 1996 Bonds, and the Issuer shall not issue the Series 1996 Bonds without having obtained from an Independent 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 1996 Bonds and the net interest cost in dollars of the Prior Bonds.

I. Subject to the determination and certification required by paragraph H above, it is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 1996 Bonds and secure the Series 1996 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 1996 Bonds and as further set forth herein.

J. The Series 1996 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.

K. All things necessary to make the Series 1996 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 1996 Bonds, will be timely done and duly performed.

L. The enactment of this Ordinance, and the execution and issuance of the Series 1996 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 AND COMBINING OF SYSTEMS; ESTABLISHMENT OF PARKERSBURG UTILITY BOARD

Section 2.01. Authorization of Refunding. All Prior Bonds Outstanding as of the date of issuance of the Series 1996 Bonds in the aggregate principal amount of $30,475,000 are hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the pledges of water revenues and sewer revenues in favor of the Holders of the respective 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 1996 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) cash or 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 Redemption Prices of the Prior Bonds on their respective Redemption Dates (being June 1, 1996), and all interest to accrue thereon, all as set forth in the Escrow Agreement. Contemporaneously with the deposit of such Series 1996 Bond proceeds into the Escrow Fund, the amounts on deposit in the sinking funds, including the reserve accounts 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, the Depreciation Fund or such other fund or account, or disposed of in such other manner as shall be set forth in the Escrow Agreement or the Supplemental Resolution, and invested as provided in the Escrow Agreement and this Ordinance.

Section 2.02. Combination of Waterworks System and Sewerage System; Establishment of Parkersburg Utility Board. Upon issuance of the Series 1996 Bonds and funding of the Escrow Fund in accordance with the Escrow Agreement, the revenues derived from the operation of the Waterworks System and Sewerage System, and the operation, management and control thereof shall be combined as a single undertaking under the supervision and control of the Parkersburg Utility Board, and the heretofore established Parkersburg Water Department and Parkersburg Sanitary Board shall be terminated. The creation of the Parkersburg Utility Board and the details and terms of such combination and the manner of and procedure for transferring such supervision and control from the Parkersburg Water Department and Parkersburg Sanitary Board to the Parkersburg Utility Board shall be as set forth and prescribed in the Board Ordinance, to be enacted concurrently herewith.

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 1996 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. All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

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

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, 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 - BOND FORM** attached hereto and incorporated herein by reference with respect to the Series 1996 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)(1) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or,

if the Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th 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.

So long as DTC (as CEDE & CO.) is the registered Owner of the Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices shall also be sent to registered securities depositories and to *Standard & Poor's Called Bond Record*.

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.

If funds sufficient to redeem all Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such

moneys are not so deposited, the Registrar shall notify all holders of Bonds called for redemption of such fact.

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. Series 1996 Bonds. For the purposes of refunding all of the Outstanding Prior Bonds of the Issuer, funding the Reserve Account and paying costs in connection therewith, there shall be issued the Series 1996 Bonds of the Issuer, in an aggregate principal amount of not more than $33,000,000. Said Series 1996 Bonds shall

be designated "Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 1996 Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 1996 Bonds shall be numbered from R-1 consecutively upward. The Series 1996 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 (which may be annual or semi-annual) 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 1996 Bonds. A. The Series 1996 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 1996 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 1996 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 1996 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 1996 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 1996 Bond or any other evidence of ownership of the Series 1996 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 1996 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 1996 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 1996 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 1996 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 1996 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 1996 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 1996 Bonds so redeemed, but DTC may retain such Series 1996 Bonds and make an

appropriate notation on the Series 1996 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 1996 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 1996 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 1996 Bonds, selecting the Series 1996 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 1996 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 1996 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 1996 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 1996 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 1996 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 1996 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 1996 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 1996 Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 1996 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 1996 Bonds.

Section 3.12. Delivery of Series 1996 Bonds. The Issuer shall execute and deliver the Series 1996 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 1996 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the Series 1996 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 1996 Bonds to the Original Purchaser;

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

(D) The unqualified approving opinion upon the Series 1996 Bonds by Bond Counsel;

(E) An opinion of Bond Counsel to the effect that the Prior Bonds have been defeased in accordance with the provisions of the Prior Ordinance;

(F) An opinion of counsel acceptable to the Original Purchaser, which may be Bond Counsel, that the Board Ordinance has been duly and properly enacted; and

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

Section 3.13. Form of Series 1996 Bonds. The definitive Series 1996 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 1996 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 1996 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 1996 Bonds. Upon the issuance and delivery of the Series 1996 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on the Series 1996 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 1996 Bonds at the first interest payment date.

B. The amount of Series 1996 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 1996 Bond Proceeds which, together with other moneys or securities deposited therein shall be equal to the Reserve Account Requirement, shall be remitted to the Bond Commission for deposit in the Reserve Account.

D. The amount of Series 1996 Bond proceeds which, together with other moneys or securities deposited therein shall be equal to the Costs of Issuance of the Series 1996 Bonds shall be deposited with the Depository Bank in the Series 1996 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 1996 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 costs of 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 120 days following the Closing Date for the Series 1996 Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 1996 Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 1996 Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 1996 Bonds from which such proceeds are derived.

E. The balance of Series 1996 Bonds proceeds shall be deposited in the Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Construction Fund. Disbursements from the Construction Fund, except for payment of Costs of issuance of the Series 1996 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 for capital improvements, repairs and replacements for the System, including all necessary engineering and other professional services relating thereto.

All moneys deposited in the Construction Fund shall be disbursed by the Board within 3 years following the Closing Date, and thereupon the Construction Fund shall be closed. 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.

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) Costs of Issuance Fund;

(4) Construction Fund; and

(5) Rebate 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.

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 6 months prior to the first interest payment date on the Series 1996 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 said 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 or greater than 6 months, then such monthly payments shall be increased or decreased 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 1996 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 12 months prior to the first principal payment or mandatory redemption date of the Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Bonds mature semiannually rather than annually) 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 or greater than 12 months (or 6 months if the Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased 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 as the same shall become due, whether by maturity or redemption prior to maturity. 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 1996 Bonds are issued, provision shall be made for additional payments into the Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at or before maturity 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) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, each month, apply such moneys, to the extent provided below, 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 Net 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 Reserve Account to an amount equal to the Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the 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 Reserve Account whenever and as long as the amount deposited therein shall be equal to the Reserve Account Requirement.

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.

(3) Thereafter from the moneys remaining in the Revenue Fund, the Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(4) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month commencing with the first month in which interest shall be payable from the Revenue Fund, transfer to the Depreciation Fund a sum equal to not less than 5% of the Gross Revenues each month, exclusive of any payments for the account of the Reserve Account in the Sinking Fund.

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 in the event that moneys in the Revenue Fund are insufficient therefor (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 (excluding 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 and the Issuer, 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) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Net Revenues to payment of debt service on subordinate bonds, notes, certificates or obligations of the System. Any excess of moneys then remaining in the Revenue Fund may be used for any lawful purpose of the System.

(6) If on any monthly payment date the Revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

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.

C. The moneys on deposit in the Revenue Fund and the Depreciation Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

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 Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, annually 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, including, on March 1, 2003 and March 1, 2019, the sum of $1,750,000; provided, however, that there shall at all times prior to March 1, 2019 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 Net 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 and Rebate. A. 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 1996 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.

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

account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund or from the Gross Revenues in the event that the Rebate Fund is insufficient therefor, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the 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 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 1996 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 hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; 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 6 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

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

Section 6.05. Operation and Maintenance. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the 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 Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by

resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund 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 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 any applicable Bond Insurer and 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 Bond Insurer and 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 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 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 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 1996 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 Net Revenues of the System on a parity with the Series 1996 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 1996 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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 1996 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 Revenues of the System of which is subject to the prior and superior lien of the

Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2) and (3) have first been paid. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues, with the Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding (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 and provided further, that the final maturity of such additional parity Bonds does not exceed that of the refunded Bonds.

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 rated at least "A" by Standard & Poor's Corporation 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, so long as the following requirments are met:

(i) The self-insurance program has been reviewed by an insurance consultant;

(ii) The self-insurance program includes an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an insurance consultant; and any deficiencies in any self-insured claims reserve fund will be remedied in accordance with the recommendation of the insurance consultant;

(iii) The self-insured claims reserve fund shall be held in the United States of America in a separate trust fund by an independent corporate trustee; and

(iv) In the event the current funding of the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by an insurance consultant, shall be maintained.

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. 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 Board shall, at least once every two years, commencing no later than July 1, 1996, retain recognized qualified independent Consulting Engineers to review the operation, maintenance and repair of the

System and to report to the Board and the Issuer in writing their recommendations and comments pertaining to the System. Such biennial report of the Consulting Engineers, or a summary thereof, shall be made available, upon request, to the Original Purchaser, the Bond Insurer, if any, 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 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 and any services and facilities of the City's waterworks system, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks 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 30 days following the date of receipt of the final audit 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 an Independent Accountant, shall mail upon request, and make available generally, the report of said Independent Accountant, 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 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 the Bond Insurer, if any, 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. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the City, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the sewerage portion of the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building and every such owner, tenant or occupant shall, after a 30 day notice of the availability of sewerage services of the System, pay the rates and charges established therefor.

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

Section 6.17. 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 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 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 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 1996 Bonds. In the event such a Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 1996 Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 1996 Bonds and any other Bonds which may be insured by such 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 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 (with the prior written consent of the applicable Bond Insurer) or any Bond 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 be made without the prior written consent of the applicable Bond Insurer or 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 Bond 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, and all moneys due hereunder or under any Supplemental Resolution have been paid in full, 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 AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 1996 Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar 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 its 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, provided that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the applicable Bond Insurer 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, the applicable Bond Insurer 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. Such removal shall take effect upon the date stated in such instrument, provided that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 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. The Registrar shall also serve as the Paying Agent. 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. 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, and all other moneys due hereunder have been paid, 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 Defeasance Obligations, as defined in Section 1.01 hereof, or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 1996 Bonds, this Ordinance may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 1996 Bonds, this Ordinance and any Supplemental Resolution may, without the consent of any Bondholder or other person, be amended, modified or supplemented in any manner which, in the opinion of Bond Counsel, does not materially adversely affect the interests of the Bondholders or any Bond Insurer, provided that, in the event any of the Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Bonds may be made 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 6 years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Parkersburg
One Government Square
Parkersburg, West Virginia 26102
Attention: Mayor

REGISTRAR AND PAYING AGENT

[Name(s) and address(s) to be set forth in Supplemental Resolution]

DEPOSITORY BANK

[Name(s) and address(s) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

[Name(s) and address(s) to be set forth in Supplemental Resolution]

BOND INSURER

[Name(s) and address(es) 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, the applicable Bond Insurer, if any, 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, the Bond Insurer 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 Parkersburg News and the Parkersburg Sentinel, two newspapers published and having a general circulation in The City of Parkersburg, 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 9th day of April, 1996, at 7:30 p.m., in the meeting room of the Council in the City Hall of The City of Parkersburg 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:	March 19, 1996
Second Reading:	March 26, 1996
Effective following Public Hearing held on:	April 9, 1996

[SEAL]

Mayor

ATTEST:

City Clerk

APPROVED AND CORRECT AS TO FORM:

By

City Attorney

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF PARKERSBURG at a regular meeting of the City Council held at 7:30 p.m., on April 9, 1996, 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 Parkersburg, the first publication having been not less than 10 days prior to such public hearing.

Dated this 14th day of May, 1996.

[SEAL]

Connie Shaffer
City Clerk

EXHIBIT A - BOND FORM

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 1996

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided 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 Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 1996 (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 Issuer 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 "The City of Parkersburg (West Virginia) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 1996, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, to refund in full The City of Parkersburg Waterworks Refunding Revenue Bonds, Series 1994, outstanding in the aggregate principal amount of $_____ and The City of Parkersburg Sewerage System Refunding Revenue Bonds, Series 1992, outstanding in the aggregate principal amount of $_____ (collectively, the "Prior Bonds"), which Prior Bonds were issued to finance or refinance the cost of construction of certain additions, betterments and improvements to the heretofore separate waterworks and sewerage systems of the Issuer. Concurrently with delivery of the Bonds, upon original issuance, the previously separate waterworks and sewerage systems of the Issuer will be joined into a single combined waterworks and sewerage system (the "System") under the supervision of the Parkersburg Utility Board, all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended. 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 13, Article 2E of the West Virginia Code of 1931, as amended (the "Refunding Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 1996, and supplemented by a supplemental resolution adopted by said Council on _____, 1996 (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 Parkersburg, 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 and after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on or after _____, _____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, 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 sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, 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

In the event of any redemption of less than all outstanding Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Bonds to be redeemed shall be determined by lot within a maturity, 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 on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by the 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 _____% 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 and the income therefrom are, under the Act, exempt from taxation in the State of West Virginia, except inheritance, estate and transfer taxes.

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 PARKERSBURG (West Virginia) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)_____
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson, 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.

05/06/96
PCOMJ.A6
686870/96001

THE CITY OF PARKERSBURG, WEST VIRGINIA

COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION SETTING PARAMETERS AS TO AMOUNT, MATURITIES, INTEREST RATES, PRICES AND OTHER DETAILS AS TO THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996 OF THE CITY; AUTHORIZING AND APPROVING A CONTRACT OF PURCHASE, A CONTINUING DISCLOSURE AGREEMENT, A COMMITMENT FOR MUNICIPAL BOND INSURANCE, A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK 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 SECURITY ASSURANCE INC.; DELEGATING TO THE MAYOR AND FINANCE DIRECTOR OF THE CITY THE AUTHORITY TO APPROVE THE FINAL TERMS AND PRICING OF THE BONDS; APPOINTING AN ESCROW TRUSTEE, REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, The City of Parkersburg (the "Issuer"), in the County of Wood,, 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 April 9, 1996, an ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE COMBINING OF THE OPERATION, MANAGEMENT AND CONTROL OF THE CITY'S HERETOFORE SEPARATE WATERWORKS SYSTEM AND SEWERAGE SYSTEM UNDER A SINGLE BOARD OR COMMISSION; THE REFUNDING OF THE CITY'S OUTSTANDING WATERWORKS REFUNDING REVENUE BONDS, SERIES 1994, AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1992; THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $33,000,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING 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; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, such Ordinance provided for the refunding of all of the Issuer's currently outstanding water revenue bonds and sewer revenue bonds (collectively defined in the Ordinance as the "Prior Bonds"), the combining of The City of Parkersburg's separate waterworks system and sanitary sewer system as a single undertaking and issuance of its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Series 1996 Bonds"), in an aggregate principal amount not to exceed $33,000,000, for the purposes of paying a portion of the costs of such refunding, funding a reserve account for the Series 1996 Bond; and paying costs of issuance thereof, all in accordance with Chapter 13, Article 2E, of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Ordinance further provided that the exact principal amount of the Series 1996 Bonds to be sold and the dates, maturities, interest rates, redemption provisions, price and other terms of the Series 1996 Bonds should be established, that a Bond Insurer, an Escrow Trustee, Registrar, Paying Agent and

Depository Bank be designated, that an Escrow Agreement and Registrar, Paying Agent and Depository Bank Agreement be approved, that additional covenants and provisions relating to the Series 1996 Bonds be provided herein as may be required by any Bond Insurer as a condition to insuring such Series 1996 Bonds and that other matters pertaining to the Series 1996 Bonds be provided for by a supplemental resolution of this Council upon receipt of a Bond Purchase Agreement acceptable to this Council;

WHEREAS, the Series 1996 Bonds are proposed to be purchased by Sutro & Co., Incorporated and Wheat First Butcher Singer (collectively, the "Original Purchaser"), pursuant to a Contract of Purchase between the Original Purchaser and the Issuer (the "Bond Purchase Contract");

WHEREAS, the Issuer has obtained a commitment for Municipal Bond Insurance for the Series 1996 Bonds from Financial Security Assurance Inc. (the "Bond Insurer") and has determined that it is advantageous for the Issuer to obtain such Municipal Bond Insurance Policy and provide herein for certain matters required by the Bond Insurer as a condition to issuing such Municipal Bond Insurance Policy;

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

WHEREAS, this Council wishes to delegate to the Mayor and Finance Director established hereunder the authority to approve, within the parameters set forth herein, the final terms of the Series 1996 Bonds, including the exact principal amount, interest rates, redemption provisions, maturities, purchase price and other terms of the Series 1996 Bonds and the final terms and provisions of all Bond Documents, without the requirement of further official action by this Council; and

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the Bond Purchase Contract, the Continuing Disclosure Agreement, the Commitment for Municipal Bond Insurance, the Escrow Agreement and the Registrar, Paying Agent and Depository Bank Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 1996 Bonds, hereinafter described, be approved, that the parameters established hereunder for the aggregate principal amount, the prices, the maturity dates and amounts, and the interest rates of the Series 1996 Bonds, be fixed hereby in the manner stated herein, that provisions required by the Bond Insurer as a condition to issuing its Municipal Bond

Insurance Policy be provided herein and that other matters relating to the Series 1996 Bonds be herein provided for, all in accordance with said Ordinance;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF Parkersburg HEREBY RESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Resolution is adopted and there are hereby authorized and ordered to be issued the Series 1996 Bonds. The Series 1996 Bonds shall be dated, shall be issued in such aggregate principal amount (not to exceed $33,000,000) shall bear interest and prices (at a yield not to exceed 5.85%) with interest payable semiannually on such dates (with final maturity to be on or before September 1, 2019), and shall have such redemption provisions and other terms as shall be approved by the Mayor and Finance Director of the City of Parkersburg and thereafter be fully set forth in EXHIBIT A - SERIES 1996 BOND TERMS, to be attached hereto and incorporated by reference herein following adoption hereof and approval of such terms by the Mayor and Finance Director prior to the date of delivery of the Series 1996 Bonds. All other provisions relating to the Series 1996 Bonds shall be as provided in the Ordinance, and the Series 1996 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 of the draft submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor of the Bond Purchase Contract on behalf of the Issuer are hereby authorized, approved, and directed. Upon approval of the Mayor and Finance Director of the sale of the Series 1996 Bonds within the parameters set forth in this Supplemental Resolution, the Mayor shall execute and deliver the Bond Purchase Contract with such changes, insertions and omissions as may be approved by the Mayor. Execution of the Bond Purchase Contract by the Mayor 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 1996 Bonds, including the payment of all necessary fees and expenses in connection therewith. The price of the Series 1996 Bonds shall be as set forth in the Bond Purchase Contract, plus interest accrued from the date of the Series 1996 Bonds to the date of delivery of the Series 1996 Bonds, expected to be on or about May 14, 1996.

Section 3. The Continuing Disclosure Agreement by and between the Issuer and the Original Purchaser, to be dated as of the date of delivery of the Series 1996 Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and

omissions as may be approved by the Mayor. Execution of the Continuing Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 4. The Escrow Agreement by and among the Issuer, the West Virginia Municipal Bond Commission and the Escrow Trustee designated herein, to be dated as of the date of delivery of the Series 1996 Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Mayor. Execution of the Escrow Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 5. The Official Statement dated the date of adoption of this resolution, 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 the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section. The distribution by the Original Purchaser of the Preliminary Official Statement dated April 19, 1996 (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 is hereby ratified and approved.

Section 6. The Registrar, Paying Agent and Depository Bank Agreement to be dated as of the date of delivery of the Series 1996 Bonds, by and between the Issuer and the Registrar/Paying Agent/Depository Bank designated herein, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar, Paying Agent and Depository Bank Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar, Paying Agent and Depository Bank Agreement by the Mayor 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 Financial Security Assurance Inc. (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"), dated April 18, 1996.

The Mayor is hereby authorized and directed to execute the approval of the Commitment and deliver the same to the Bond Insurer. Execution by the Mayor 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 6.18 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 1996 Bonds:

A. "Bond Insurance Policy" shall mean the municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 1996 Bonds.

B. "Bond Insurer" or "Financial Security" shall mean Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto.

C. The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit in to the Reserve Account.

D. The Bond Insurer shall be deemed to be the sole holder of the Series 1996 Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 1996 Bonds insured by it are entitled to take pursuant to Articles VII and VIII of the Ordinance.

E. In the event the maturity of the Series 1996 Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued or accreted, as applicable, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Series 1996 Bonds shall be fully discharged.

F. No grace period for a covenant default shall exceed 30 days, nor be extended for more than 60 days, without the prior written consent of the Bond Insurer.

G. The discretion of the Paying Agent in Section 7.04 of the Ordinance to apply moneys shall not permit the Paying Agent to fail to liquidate investment obligations in the Sinking Fund and Reserve Account therein and apply amounts credited to such funds to the payment of debt service on any Payment Date.

H. The Bond Insurer shall be granted the right to remove the Registrar, Paying Agent or Depository Bank.

I. The Bond Insurer shall be included as a third party beneficiary to the Ordinance and this Supplemental Resolution.

J. No amendment or supplement to the Ordinance, the Supplemental Resolution or any other Related Document may become effective except upon obtaining the prior written consent of the Bond Insurer.

K. Copies of any modification or amendment to the Ordinance or any other Related Document shall be sent to Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and Moody's Investors Service, Inc. at least 10 days prior to the effective date thereof.

L. Rights of the Bond Insurer to direct or consent to Issuer, Registrar, Paying Agent or Bondholder actions under the Ordinance shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.

M. The rights granted to the Bond Insurer under the Ordinance, the Supplemental Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent of the Bond Insurer.

N. Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated or (4) pre-refunded municipal obligations rated "AAA" or "Aaa" by S&P and Moody's, respectively, or any combination thereof, shall be authorized to be used to effect defeasance of the Series 1996 Bonds unless the Bond Insurer otherwise approved.

To accomplish defeasance the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Bond Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Series 1996 Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), and (iii) an opinion of nationally recognized bond counsel to the effect that the Series 1996 Bonds are no longer "Outstanding" under the Ordinance; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Registrar, the Paying Agent and the Bond Insurer. In the event a forward purchase agreement will be employed in the refunding, such agreement shall be subject to the approval of the Bond Insurer and shall be accompanied by such opinions of counsel as may be required by the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Series 1996 Bonds shall be deemed "Outstanding" under the Ordinance unless and until they are in fact paid and retired or the above criteria are met.

O. Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Ordinance and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance.

The Ordinance shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

P. Claims upon the Bond Insurance Policy and payments by and to the Bond Insurer.

If on the third business day prior to the related scheduled interest payment date or principal payment date or the date to which a Series 1996 Bond maturity has been accelerated ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Ordinance, moneys sufficient to pay the principal of and interest on the Series 1996 Bonds due on such Payment Date, the Paying Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 1996 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 1996 Bonds and the amount required to pay principal of the Series 1996 Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Registrar shall authenticate and deliver to affected Bondholders who surrender their Series 1996 Bonds a new Series 1996 Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 1996 Bond surrendered. The Trustee shall designate any portion of payment of principal on Series 1996 Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 1996 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal

so paid (without regard to authorized denominations); provided that the Registrar's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Series 1996 Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Registrar.

Upon payment of a claim under the Bond Insurance Policy the Paying Agent/Depository Bank shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent/Depository Bank shall have exclusive control and sole right of withdrawal. The Paying Agent/Depository Bank shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Series 1996 Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent/Depository Bank to Series 1996 Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 1996 Bonds under the sections hereof regarding payment of Series 1996 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent/Depository Bank and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent/Depository Bank.

Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

Q. The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 1996 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy.

R. The Issuer shall agree to pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in respect of the Ordinance or any other transaction document (each a "Related Document"), (ii) the pursuit of any remedies under the Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Ordinance or any other Related Document whether or not executed or completed, (iv) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it or (v) any litigation or other dispute in connection with the Ordinance or any other Related Document or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance or any other Related Document.

S. Payments required to be made to the Bond Insurer shall be payable solely from the Gross Revenues and shall be paid (i) prior to an Event of Default, to the extent not paid from the Sinking Fund, after required deposits to the Reserve Account and (ii) after an Event of Default, with respect to amounts other than principal and interest on the Series 1996 Bonds, on the same priority as payments to the Registrar/Paying Agent for expenses. The obligations to the Bond Insurer shall survive discharge or termination of the Related Documents.

T. The Bond Insurer shall be entitled to pay principal or interest on the Series 1996 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Series 1996 Bonds as a result of acceleration of the maturity thereof in accordance with the Ordinance, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

U. The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director--Surveillance--Re: Policy No. 21109-N, Telephone: (212)826-0100; Telecopier: (212)339-3529. In each case in which notice or other communication refers to an Event of Default or with respect to which failure on the part of the Bond

Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

V. The Bond Insurer shall be provided with the following information:

(i) Annual audited financial statements within 120 days after the end of the Issuer's fiscal year and the Issuer's annual budget within 30 days after the approval thereof;

(ii) Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of Series 1996 Bonds;

(iii) Notice of any default known to the Paying Agent within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Series 1996 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Registrar, Paying Agent and Depository Bank and the appointment of, and acceptance of duties by, any successor thereto;

(vi) The commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) The making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 1996 Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered under the terms of the Related Documents.

W. Funds and accounts shall be invested in Qualified Investments. Qualified Investments shall not include corporate debt other than commercial paper rated in the highest category by the rating agencies. Investments purchased with funds on deposit in the Reserve Account shall have an average aggregate weighted term to maturity not greater than five years.

Y. Notwithstanding satisfaction of other conditions to the issuance of additional bonds contained in the Ordinance, no such issuance may occur (1) should any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) have occurred and be continuing unless such default shall be cured upon such issuance and (2) unless the Reserve Account is fully funded at its requirement (including the new issue) upon the issuance of such additional bonds, in either case unless otherwise permitted by the Bond Insurer.

Section 9. The Issuer does hereby appoint and designate Ballard Spahr Andrews & Ingersoll, Washington, D. C. as Special Tax Counsel and Disclosure Counsel in connection with the issuance of the Series 1996 Bonds.

Section 10. The firm of Steptoe & Johnson, Clarksburg, West Virginia, is hereby appointed bond counsel to the City in connection with the issuance of the Series 1996 Bonds.

Section 11. The Issuer does hereby appoint and designate United National Bank, Parkersburg, West Virginia, for the purpose of serving in the capacities of Registrar, Paying Agent, Depository Bank and Escrow Trustee.

Section 12. The firm of Smith, Cochran & Hicks, Charleston, West Virginia, is hereby engaged for the purpose of verifying yield and sufficiency of the Escrow Fund.

Section 13. Dan A. Marshall, Esquire is hereby appointed Special Counsel to the Issuer in connection with the issuance of the Bonds.

Section 14. The notice addresses for the Registrar, Paying Agent, Depository Bank, Original Purchaser and Bond Insurer shall be as follows:

REGISTRAR, PAYING AGENT,
DEPOSITORY BANK AND ESCROW TRUSTEE

United National Bank
514 Market Street
Parkersburg, West Virginia 26101
Attention: Trust Officer

ORIGINAL PURCHASER

Sutro & Co., Incorporated
370 17th Street, Suite 1300
Denver, Colorado 80202
Attention: Managing Director

and

Wheat First Butcher Singer
500 Virginia Street, East
Charleston, West Virginia 25327
Attention: Managing Director

BOND INSURER

Financial Security Assurance Inc.
350 Park Avenue
New York, New York 10022-6022
Attention: Managing Director--Surveillance--Re:
Policy No. 21109-N

Section 15. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 1996 Bond issue to the end that the Series 1996 Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

Section 16. Under the provisions of the Act, and as provided in the Ordinance and the Series 1996 Bonds, the Series 1996 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 1996 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 1996 Bonds and the interest thereon.

Section 17. The Issuer has determined and hereby determines that one of the purposes of issuing the Series 1996 Bonds is to effect the release and termination of liens, restrictions, conditions or limitations imposed in connection with the Prior Bonds, and specifically that it is necessary and essential to refund the Prior Bonds in order to effect the combination of the heretofore separate waterworks system and sanitary sewerage system of the Issuer.

Section 18. The Mayor and other appropriate officers and employees of the Issuer are hereby authorized and directed to take all further actions necessary to cause the Series 1996 Bonds to be insured by the Bond Insurer or such other municipal bond insurance company as is acceptable to the Original Purchaser.

Section 19. This Resolution shall be effective immediately.

Adopted this 23rd day of April, 1996.

[SEAL]

Mayor

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 PARKERSBURG at a regular meeting of the City Council held at 7:30 p.m., on April 23, 1996, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 14th day of May, 1996.

[SEAL]

Connie Staffer
City Clerk

05/06/96
PCOMJ.F6
686870/96001

EXHIBIT A - SERIES 1996 BOND TERMS

Bond No.	CUSIP	Maturity	Amount	Interest Rate	Yield	Price
			SERIAL BONDS			
R-1	701352 AA4	Sep. 1, 1997	$ 790,000	3.80%	3.90%	99.870
R-2	701352 AB2	Mar. 1, 1998	810,000	4.15	4.25	99.823
R-3	701352 AC0	Sep. 1, 1998	825,000	4.15	4.25	99.778
R-4	701352 AD8	Mar. 1, 1999	840,000	4.30	4.45	99.603
R-5	701352 AE6	Sep. 1, 1999	860,000	4.30	4.45	99.538
R-6	701352 AF3	Mar. 1, 2000	880,000	4.50	4.60	99.649
R-7	701352 AG1	Sep. 1, 2000	900,000	4.50	4.60	99.607
R-8	701352 AH9	Mar. 1, 2001	920,000	4.65	4.70	99.780
R-9	701352 AJ5	Sep. 1, 2001	945,000	4.65	4.70	99.761
R-10	701352 AK2	Mar. 1, 2002	960,000	4.75	4.80	99.742
R-11	701352 AL0	Sep. 1, 2002	985,000	4.75	4.80	99.724
R-12	701352 AM8	Mar. 1, 2003	2,760,000	4.85	4.90	99.706
R-13	701352 AN6	Sep. 1, 2003	325,000	4.85	4.90	99.689
R-14	701352 AP1	Mar. 1, 2004	335,000	4.90	5.00	99.353
R-15	701352 AQ9	Sep. 1, 2004	345,000	4.90	5.00	99.320
R-16	701352 AR7	Mar. 1, 2005	350,000	5.00	5.10	99.290
R-17	701352 AS5	Sep. 1, 2005	360,000	5.00	5.10	99.259
R-18	701352 AT3	Mar. 1, 2006	370,000	5.10	5.20	99.232
R-19	701352 AU0	Sep. 1, 2006	380,000	5.10	5.20	99.202
R-20	701352 AV8	Mar. 1, 2007	390,000	5.20	5.30	99.177
R-21	701352 AW6	Sep. 1, 2007	400,000	5.20	5.30	99.149
			TERM BONDS			
R-22	701352 AZ9	Mar. 1, 2010	1,295,000	5.50%	5.60%	99.038
R-23	701352 BA3	Sep. 1, 2010	1,335,000	5.50	5.60	99.015
R-24	701352 BB1	Sep. 1, 2013	3,105,000	5.70	5.80	98.907
R-25	701352 BC9	Sep. 1, 2019	9,785,000	5.80	5.93	98.375

OPTIONAL REDEMPTION

The Series 1996 Bonds maturing on and after March 1, 2007, are subject to redemption prior to maturity on or after September 1, 2006, at the option of the Issuer, as a whole at any time, and in part on any interest payment date, 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, 2006 - August 31, 2007	102%
September 1, 2007 - August 31, 2008	101
September 1, 2008 and thereafter	100

MANDATORY SINKING FUND REDEMPTION

The Series 1996 Bonds maturing on March 1, 2010, September 1, 2010, September 1, 2013 and September 1, 2019 (the "Term Bonds") are subject to mandatory sinking fund redemption by random selection as may be deermined 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:

Series 1996 Bonds Maturing March 1, 2010

Date	Principal Amount
Mar. 1, 2008	$ 410,000
Mar. 1, 2009	430,000
Mar. 1, 2010	455,000*

Series 1996 Bonds Maturing September 1, 2010

Date	Principal Amount
Sep. 1, 2008	$ 420,000
Sep. 1, 2009	445,000
Sep. 1, 2010	470,000*

Series 1996 Bonds Maturing September 1, 2013

Date	Principal Amount
Mar. 1, 2011	$ 480,000
Sep. 1, 2011	495,000
Mar. 1, 2012	510,000
Sep. 1, 2012	525,000
Mar. 1, 2013	540,000
Sep. 1, 2013	555,000*

Series 1996 Bonds Maturing September 1, 2019

Date	Principal Amount
Mar. 1, 2014	$ 570,000
Sep. 1, 2014	585,000
Mar. 1, 2015	605,000
Sep. 1, 2015	620,000
Mar. 1, 2016	640,000
Sep. 1, 2016	655,000
Mar. 1, 2017	675,000
Sep. 1, 2017	695,000
Mar. 1, 2018	715,000
Sep. 1, 2018	735,000
Mar. 1, 2019	760,000
Sep. 1, 2019	2,530,000*

* By maturity

ACORD INSURANCE BINDER

DATE 09/27/2002

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER
PHONE (A/C, No, Ext): (304)422-8476
FAX (304)428-7374
Reagle & Padden, Inc.
200 Star Avenue, Suite 210
Parkersburg, WV 26101

COMPANY: St. Paul Insurance Co.
BINDER #: B02092700724

EFFECTIVE DATE: 10/01/2002 TIME: 12:01 X AM ___ PM
EXPIRATION DATE: 12/01/2002 TIME: X 12:01 AM ___ NOON

___ THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:

CODE: SUB CODE:
AGENCY CUSTOMER ID: 00001723

INSURED
Parkersburg Utility Board
125 - 19th Street
Parkersburg, WV 26101

DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)
Water and Sewer Utility

COVERAGES

TYPE OF INSURANCE	COVERAGE/FORMS	LIMITS: DEDUCTIBLE	COINS %	AMOUNT
PROPERTY — CAUSES OF LOSS: ___ BASIC ___ BROAD X SPECIAL	Blanket Buildings / Personal Property Other Property, Scheduled Equipment, Per Specifications / St. Paul Proposal	5,000		61,385,000
GENERAL LIABILITY: X COMMERCIAL GENERAL LIABILITY; ___ CLAIMS MADE ___ OCCUR	Public Officials Liability Employment Practices Liability Employee Benefit Liability	EACH OCCURRENCE		$ 1,000,000
		FIRE DAMAGE (Any one fire)		$ 50,000
		MED EXP (Any one person)		$ NONE
X PD Deductible: 2500		PERSONAL & ADV INJURY		$ 1,000,000
X EPLI Ded: 15,000	RETRO DATE FOR CLAIMS MADE:	GENERAL AGGREGATE		$ 2,000,000
		PRODUCTS - COMP/OP AGG		$ 2,000,000
AUTOMOBILE LIABILITY: X ANY AUTO		COMBINED SINGLE LIMIT		$ 1,000,000
___ ALL OWNED AUTOS		BODILY INJURY (Per person)		$
___ SCHEDULED AUTOS		BODILY INJURY (Per accident)		$
___ HIRED AUTOS		PROPERTY DAMAGE		$
___ NON-OWNED AUTOS		MEDICAL PAYMENTS		$ 1,000
		PERSONAL INJURY PROT		$
		UNINSURED MOTORIST		$ 1,000,000
		Underinsured		$ 1,000,000
AUTO PHYSICAL DAMAGE — DEDUCTIBLE: X COLLISION: 1,000; X OTHER THAN COL: 500	___ ALL VEHICLES X SCHEDULED VEHICLES	X ACTUAL CASH VALUE; ___ STATED AMOUNT; ___ OTHER		$
GARAGE LIABILITY: ___ ANY AUTO		AUTO ONLY - EA ACCIDENT		$
		OTHER THAN AUTO ONLY: EACH ACCIDENT		$
		OTHER THAN AUTO ONLY: AGGREGATE		$
EXCESS LIABILITY: X UMBRELLA FORM; ___ OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		$ 2,000,000
		AGGREGATE		$ 2,000,000
		SELF-INSURED RETENTION		$ 10,000
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		___ WC STATUTORY LIMITS		
		E.L. EACH ACCIDENT		$ 1,000,000
		E.L. DISEASE - EA EMPLOYEE		$ 1,000,000
		E.L. DISEASE - POLICY LIMIT		$ 1,000,000
SPECIAL CONDITIONS/ OTHER COVERAGES: All other Misc. coverage as outlined in the St. Paul proposal.		FEES		$
		TAXES		$
		ESTIMATED TOTAL PREMIUM		$

NAME & ADDRESS
The City of Parkersburg
1 Government Square
Parkersburg, WV 26101

___ MORTGAGEE X ADDITIONAL INSURED
___ LOSS PAYEE

LOAN #

AUTHORIZED REPRESENTATIVE
John R Padden III

©ACORD CORPORATION 1993

CC: D23 0725
* M: 00 I: 000 T: 001
* 3 B 0 0 2 GP09309170 6497

The St Paul

PROPERTY PROTECTION COVERAGE SUMMARY

Description and location of covered property

Item 001

BLANKET BUILDINGS AND BUSINESS PERSONAL PROPERTY AT THE LOCATIONS LISTED ON THE MOST RECENT STATEMENT OF VALUES WHICH YOU HAVE PROVIDED.

	Limit Of Coverage	Valuation	Theft Coverage
BLANKET **Building**	$61,385,000 Coinsurance 90%	RC	See Location Schedule
BLANKET **Business Personal Property**	Incl W Bldg Coinsurance 90%	RC	See Location Schedule

Business Income

Blanket Earnings And Expenses

Your Property Protection deductible per event is $250 unless another amount is shown here: $5,000.

Additional Coverages

	LIMIT OF COVERAGE	VALUATION	THEFT COVERAGE
BLANKET SPECIAL CLASS	Incl Above Coinsurance 90%	RC	See Location Schedule

Name of Insured PARKERSBURG UTILITY BOARD
Policy Number GP09309170 **Effective Date**
Processing Date 10/22/02 11:40 001

©St Paul Fire and Marine Insurance Co 1996

CC: D23 0725
* M: 001 T: 000 I: 001
* 3 B 0 0 2 GP09309170 6587

PUBLIC ENTITY GENERAL LIABILITY PROTECTION COVERAGE SUMMARY

The St Paul

This Coverage Summary shows the limits of coverage that apply to your Public Entity General Liability Protection. It also lists those endorsements, if any, that must have certain information shown for them to apply.

Limits Of Coverage

General total limit.	$	2,000,000
Products and completed work total limit.	$	2,000,000
Personal injury each person limit.	$	1,000,000
Advertising injury each person limit.	$	1,000,000
Each event limit.	$	1,000,000
Failure to supply limit.	$	500,000
Medical expenses limit.	$	0
Premises damage limit.	$	50,000
Sewer back-up limit.	$	500,000

Named Endorsement Table

Important Note: Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

©St.Paul Fire and Marine Insurance Co.1997 All Rights Reserved

CC: D23 0725
* 3 8 0 0 2 GP09309170 6617 * M: 001 I: 000 T: 001

PUBLIC SECTOR SERVICES
INJURY OR DAMAGE DEDUCTIBLES ENDORSEMENT

The St Paul

This endorsement changes your Public Entity General Liability Protection.

Important note: This endorsement makes you responsible for paying damages within the deductibles that apply.

Deductibles Table

Only those deductibles for which amounts are shown apply.

Bodily injury and property damage each event deductible.	$2,500.
Medical expenses each person deductible.	$
Personal injury each person deductible.	$
Advertising injury each person deductible.	$
Total deductible.	$

Important note: If the Total deductible doesn't apply, you'll be responsible for the other applicable deductibles without further limitation, regardless of how often any or all of them apply.

How Coverage Is Changed

There are two changes which are explained below.

1. The following section is added. This change adds deductibles to be paid by you.

Deductibles

The deductibles shown in the Deductibles Table and the information contained in this section fix the amount of damages that you'll be responsible for paying. Only those deductibles for which amounts are shown in the Deductibles Table apply.

We will pay all or part of the deductible for you, unless we agree to do otherwise. When we do make payment, you agree to repay that amount to us promptly after we notify you of the payment.

Bodily injury and property damage each event deductible. You'll be responsible for the amount of damages within this deductible for all covered bodily injury and property damage that:

- is sustained by all persons and organizations; and
- results from any one event.

This bodily injury deductible is reduced by the amount of any medical expenses deductible paid by you.

Medical expenses each person deductible. You'll be responsible for the amount of medical expenses within this deductible for all covered medical expenses that:

- are incurred for bodily injury sustained by any one person; and
- result from any one event.

Personal injury each person deductible. You'll be responsible for the amount of

©St.Paul Fire and Marine Insurance Co.1997 All Rights Reserved

CC: D23 0725
* 3 B 0 0 2 GP09309170 6647 * M: 001 I: 000 T: 001

PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY PROTECTION - CLAIMS-MADE
COVERAGE SUMMARY

The St Paul

This Coverage Summary shows the limits of coverage, deductible, and the retroactive date that apply to your Public Entity Employment Practices Liability Protection - Claims-Made. It also lists those endorsements, if any, that must have certain information shown for them to apply.

Employment Practices Liability

Limits Of Coverage	
Each wrongful employment practice offense limit.	$1,000,000.
Total limit.	$1,000,000.
Deductible	$15,000.

Retroactive Date: 07-01-96

Important Note: If no date is shown above, we'll consider the retroactive date to be the same as the beginning date of this insuring agreement.

Named Endorsement Table

Important Note: Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

©St.Paul Fire and Marine Insurance Co. 2001 All Rights Reserved

CC: D23 0725
* M: 001 I: 000 T: 001
* 3 B 0 0 2 GP09309170 6663

PUBLIC ENTITY MANAGEMENT LIABILITY PROTECTION - CLAIMS-MADE COVERAGE SUMMARY

The St Paul

This Coverage Summary shows the limits of coverage, deductible, and the retroactive date that apply to your Public Entity Management Liability Protection - Claims-Made. It also lists those endorsements, if any, that must have certain information shown for them to apply.

Limits Of Coverage		Deductible	
Each wrongful act limit.	$2,000,000.	**Each wrongful act deductible.**	$5,000.
Total limit.	$2,000,000.		

Retroactive Date: 07-01-96

Important Note: If no date is shown above, we'll consider the retroactive date to be the same as the beginning date of this insuring agreement.

Named Endorsement Table

Important Note: Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply, too. If so, they're listed on the Policy Forms List.

©St.Paul Fire and Marine Insurance Co. 2001 All Rights Reserved

CC: D23 0725
* 3 B O O 2 GP09309170 6679 * M: OO I: OOO T: 001

AUTO COVERAGE SUMMARY

The St Paul

This Coverage Summary shows the Limits of Coverage that apply to your Commercial Auto Protection. A blank section or space indicates no coverage.

Auto Liability Protection

Covered Autos:

- [x] Any Auto
- [ ] Scheduled autos
- [ ] Other:
- [ ] Owned Commercial autos
- [ ] Hired autos
- [ ] Owned Private Passenger autos
- [ ] Non owned autos

Limit of Coverage:

$1,000,000 each accident

Other:

Auto Medical Payments Protection

Covered Autos:

- [ ] Scheduled autos
- [x] Any auto
- [ ] Owned Private Passenger autos
- [ ] Owned Commercial autos
- [ ] Other:

Limits of Coverage *(Refer to the Auto Schedule)*

Other:

©St.Paul Fire and Marine Insurance Co.1990 All Rights Reserved

CC: D23 0725
* M: 00 I: 000 T: 001
* 3 B 0 0 2 GP09309170 6735

GOVERNMENT CRIME PROTECTION COVERAGE SUMMARY

The St Paul

This Coverage Summary shows the coverages and limits of coverage that apply to your Crime Protection.

Coverages, Limits Of Coverage, And Deductibles

Coverage applies only to those coverages indicated by ☒ and when a limit of coverage is shown.

		Limit Of Coverage Per Occurrence	Deductible Amount Per Occurrence
☒	1. Employee Theft – Per Loss Coverage	$1,000,000.	$1,000.
☐	2. Employee Theft – Per Employee Coverage	$	$
☒	3. Forgery Or Alteration	$100,000.	$1,000.
☒	4. Inside The Premises – Theft Of Money And Securities	$100,000.	$1,000.
☐	5. Inside The Premises – Robbery Or Safe Burglary Of Other Property	$	$
☒	6. Outside The Premises	$100,000.	$1,000.
☐	7. Computer Fraud	$	$
☐	8. Money Orders And Counterfeit Paper Currency	$	$

Employee Benefit Plan(s) included as named insureds:

Named Endorsement Table

Important Note: Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply. If so, they're listed on the Policy Forms List.

Name of Insured PARKERSBURG UTILITY BOARD

Policy Number GP09309170

Effective Date

Processing Date 10/22/02 11:40 001

©St.Paul Fire and Marine Insurance Co.2000 All Rights Reserved

CC: D23 0725

* 7 G 0 0 2 GP09309170 4541 * M: 00 I: 000 T: 002

POLICY CHANGE ENDORSEMENT

The St Paul

This endorsement summarizes the changes to your policy. All other terms of your policy not affected by these changes remain the same.

How Your Policy Is Changed

UMBRELLA

CORRECT FORM 47123 TO ADD STOP GAP COVERAGE.

RECEIVED
NOV 21 2002

Clarence,
Please put this in the "Umbrella" Section of your book. This form was accidentally left off of the policy. Tks! K.

Premium Change Which Is Due Now

Additional premium 0.00 Returned Premium 0.00

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to
PARKERSBURG UTILITY BOARD

Authorized representative

Endorsement takes effect
10/01/02
Processing Date: 11/14/02 13:17 002

Policy Number
GP09309170

40704 Ed.5-84 Printed in U.S.A.

Endorsement

©St.Paul Fire and Marine Insurance Co.1984 All Rights Reserved

CC: D23 0725
* 7 G 0 0 2 GP09309170 4543 * M: 001 I: 000 T: 002

UMBRELLA EXCESS LIABILITY PROTECTION
SCHEDULE OF BASIC INSURANCE

The St Paul

This schedule describes your Basic Insurance.

Important Note: Basic Insurance means only the insurance described in this schedule for which limits of coverage amounts are shown.

Schedule of Basic Insurance

Commercial General Liability

Insurer St. Paul Fire & Marine Ins. Co.

Policy number GP09309170

Policy period 10-01-02 to 10-01-03

Coverage is: ☐ claims-made ☒ not claims-made

Limits Of Coverage

General total limit.	$ 2,000,000.
Products and completed work total limit.	$ 2,000,000.
Personal injury each person limit.	$ 1,000,000.
Advertising injury each person limit.	$ 1,000,000.
Each event limit.	$ 1,000,000.
Premises damage limit.	$ 50,000.

Automobile Liability

Insurer St. Paul Fire & Marine Ins. Co.

Policy number GP09309170

Policy period 10-01-02 to 10-01-03

Limits Of Coverage

Bodily injury and property damage combined.
Each accident
$ 1,000,000.

Bodily injury.
Each person $ | Each accident $

Property damage.
Each accident
$

Employer's Liability

Insurer St. Paul Fire & Marine Ins. Co.

Policy number GP09309170

Policy period 10-01-02 to 10-01-03

Limits Of Coverage

Bodily injury by accident
Each accident
$ 1,000,000.

Bodily injury by disease
Policy limit $ 1,000,000. | Each employee $ 1,000,000.

47123 Ed.4-91 Printed in U.S.A.
©St.Paul Fire and Marine Insurance Co.1991 All Rights Reserved

CC: D23 0725
* M: 00 I: 000 T: 001
* 3 B 0 0 2 GP09309170 6751

UMBRELLA EXCESS LIABILITY PROTECTION COVERAGE SUMMARY

The St Paul

This Coverage Summary shows the limits of coverage and deductible that apply to your Umbrella Excess Liability Protection. It also lists those endorsements, if any, that must have certain information shown for them to apply.

Limits Of Coverage

General total limit.	$ 2,000,000.
Products and completed work total limit.	$ 2,000,000.
Personal injury each person limit.	$ 2,000,000.
Advertising injury each person limit.	$ 2,000,000.
Each event limit.	$ 2,000,000.
Deductible (This deductible applies to each event or offense not covered by your Basic Insurance.)	$ 10,000.

Named Endorsement Table

Important Note: Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

©St.Paul Fire and Marine Insurance Co.1996 All Rights Reserved

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **March 4, 2003**

Re: **City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund) and Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 B (West Virginia Water Development Authority)**

DISBURSEMENTS TO THE CITY OF PARKERSBURG

1.

Payor:	West Virginia Infrastructure Fund
Source:	Series 2003 A Bonds Proceeds
Amount:	$200,725
Form:	Wire Transfer
Payee:	City of Parkersburg
Bank:	People's Bank
Routing #:	044202505
Account #:	4028000133
Contact:	Sandy DeLong ((304) 374-6123, ext. 7215
Account:	Series 2003 A Bonds Construction Trust Fund

2.

Payor:	West Virginia Water Development Authority
Source:	Series 2003 B Bonds Proceeds
Amount:	$3,250,000
Form:	Wire Transfer
Payee:	City of Parkersburg
Bank:	People's Bank
Routing #:	044202505
Account #:	4028000133
Contact:	Sandy DeLong ((304) 374-6123, ext. 7215
Account:	Series 2003 B Bonds Construction Trust Fund