THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program)

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THE CITY OF PARKERSBURG

COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF PARKERSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $7,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of 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 City of Parkersburg Utility Board (the "Board") a combined municipal waterworks and sewerage system (the

"System"). However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing sewerage portion of the System of the Issuer, consisting of First Avenue and Agnes Street pumping stations upgrades and Agnes Street force main replacement, together with all necessary appurtenances (collectively, the "Project") (the existing combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in the total aggregate principal amount of not more than $7,000,000 in one or more series (the "Series 2012 A Bonds") initially planned to be the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program) in the aggregate principal amount of not more than $7,000,000 (the "Series 2012 A Bonds") to permanently finance a portion of the costs of acquisition and construction of the Project, and pay the costs of issuance thereof. 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 2012 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority including the SRF Administrative Fee (as hereinafter defined) for the Series 2012 A Bonds; discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2012 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2012 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 22 years.

F. It is in the best interests of the Issuer that its Series 2012 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties (the "Loan Agreement"), 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 2012 A Bonds as to liens, pledge and source of and security for payment, being the (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000 (the "Series 2003 A Bonds"); (ii) 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 (the "Series 2003 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000 (the "Series 2005 A Bonds"); (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000 (the "Series 2006 C Bonds"); (vii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000 (the "Series 2006 D Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,372,600 (the "Series 2006 E Bonds"); and (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000 (the "Series 2011 A Bonds"), (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System.

The Series 2012 A 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 2012 A Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the registered owners of the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2006 D Bonds, Series 2006 E Bonds and Series 2011 A Bonds to the issuance of the Series 2012 A Bonds on a parity with the Prior Bonds. The Series 2005 A Bonds and Series 2006 C Bonds do not require consent. Except for the Prior Bonds 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 Series 2012 A Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2012 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the 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 2012 A 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 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 2012 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2012 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"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 2012 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2012 A Bonds for all or a portion of the proceeds of the Series 2012 A Bonds from the Authority.

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

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

"Consulting Engineers" means Strand & Associates, Madison, Wisconson, 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 1.02G hereof to be a part of the cost of acquisition and construction of the Project.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the functions of the DEP.

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

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

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

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

"Grants" means any grants committed to the Project.

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

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

"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 of the Issuer.

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered into by and among the Issuer, the Authority, and the DEP, providing for the purchase of the Series 2012 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2012 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2012 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2012 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

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

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

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

"Prior Bonds" means, collectively, the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2005 A Bonds, Series 2006 C Bonds, Series 2006 D Bonds, Series 2006 E Bonds and Series 2011 A Bonds.

"Prior Ordinance" means the ordinances of the Issuer, as supplemented by the supplemental resolutions of the Issuer, authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

United States of America;

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Depreciation Account created by the Prior Ordinance and renamed and continued per Section 5.01 herein..

"Reserve Accounts" means, collectively, the reserve accounts established for the Prior Bonds and the Series 2012 A Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2012 A Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance.

"Series 2003 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000.

"Series 2003 B Bonds" means the Issuer's 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.

"Series 2003 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000.

"Series 2003 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705.

"Series 2005 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000.

"Series 2006 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000.

"Series 2006 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000.

"Series 2006 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,372,600.

"Series 2011 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000.

"Series 2012 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2012 A Bonds Construction Trust Fund" means the Series 2012 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2012 A Bonds Reserve Account" means the Series 2012 A Bonds Reserve Account established in Section 5.02 hereof.

"Series 2012 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 2012 A Bonds in the then current or any succeeding year.

"Series 2012 A Bonds Sinking Fund" means the Series 2012 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2012 A Bonds.

"SRF Administrative Fee" means the Administrative Fee required to be paid pursuant to the Loan Agreement for the Series 2012 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the SRF regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations, as amended from time to time.

"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 2012 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means collectively, the existing combined waterworks and sewerage system of the Issuer, and shall include any 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.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed 9,000,000, and ordered 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 2012 A Bonds hereby authorized, shall be applied as provided in Article VI hereof.

The cost of the Project is estimated not to exceed $9,000,000 of which approximately $7,000,000 will be obtained from proceeds of the Series 2012 A Bonds and approximately $2,00,000 will be a contribution from the Issuer.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2012 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2012 A Bonds of the Issuer. The Series 2012 A Bonds shall be issued in one series, as a single bond, designated as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program)", in the principal amount of not more than $7,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2012 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2012 A Bonds shall be issued in such principal amounts; shall bear no interest, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Principal of the Series 2012 A Bonds, if any, 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 2012 A Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2012 A Bonds. The Series 2012 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear no interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2012 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such 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 2012 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2012 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2012 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2012 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2012 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2012 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of 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 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2012 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be 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 2012 A Bonds shall not, in any event, be or constitute a corporate 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 2012 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 A Bonds.

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 2012 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2012 A Bonds and the Prior 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 2012 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2012 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2012 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 A Bonds to the original purchasers;

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

D. Executed copies of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2012 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2012 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2012 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2012, 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, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

This bond shall bear no interest. 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 principal of this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (II) 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 (THE "SERIES 2003 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"); (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"); (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"); (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"); (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,000,000 (THE "SERIES 2006 D BONDS"); (VIII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,372,600 (THE "SERIES 2006 E BONDS") AND (IX) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA DWTRF PROGRAM), DATED MARCH 16, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,800,000 (THE "SERIES 2011 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient whether calculated individually or combined to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2012 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 to (i) provide for the reasonable expenses of operation, repair and maintenance of the System, and (ii) So long as the Series 2005 A Bonds or Series 2006 A Bonds are outstanding to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and thereafter 115% of such amount; provided however, when the Series 2005 A Bonds and Series 2006 A Bonds are no longer outstanding and so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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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 Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 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: _____, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2012 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated in this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior 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) Renewal and Replacement Fund (established by the Prior Ordinance as the Depreciation Fund, hereby renamed and continued); and

(3) Series 2012 A Bonds Construction Trust Fund.

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

(1) Series 2003 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 2003 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 2003 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 2003 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 2003 D Bonds Sinking Fund (established by Prior Ordinance);

(6) Series 2003 D Bonds Reserve Account (established by Prior Ordinance);

(7) Series 2003 E Bonds Sinking Fund (established by Prior Ordinance);

(8) Series 2003 E Bonds Reserve Account (established by Prior Ordinance);

(9) Series 2005 A Bonds Sinking Fund (established by Prior Ordinance);

(10) Series 2005 A Bonds Reserve Account (established by Prior Ordinance);

(11) Series 2006 C Bonds Sinking Fund (established by Prior Ordinance);

(12) Series 2006 C Reserve Account (established by Prior Ordinance);

(13) Series 2006 D Bonds Sinking Fund (established by Prior Ordinance);

(14) Series 2006 D Bonds Reserve Account (established by Prior Ordinance);

(15) Series 2006 E Bonds Sinking Fund (established by Prior Ordinance);

(16) Series 2006 E Bonds Reserve Account (established by Prior Ordinance);

(17) Series 2011 A Bonds Sinking Fund (established by Prior Ordinance);

(18) Series 2011 A Bonds Reserve Account (established by Prior Ordinance);

(19) Series 2012 A Bonds Sinking Fund; and

(20) Series 2012 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided 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 this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month on or before the due date, transfer from the Revenue Fund and simultaneously remit to the Commission (i) on the first day of the month the amounts required to be paid by Prior Ordinance for the interest on the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2005 A Bonds, Series 2006 C Bonds and Series 2011 A Bonds; and (ii) on the first day of the month, commencing 4 months prior to the first date of payment of interest of the Series 2012 A Bonds for deposit in the Series 2012 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will accrue and become due on the Series 2012 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 2012 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required to be paid by the Prior Ordinance for the principal on the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds for deposit in the Series 2012 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 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 2012 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.

(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 respective Reserve Accounts for the Prior Bonds the amounts required by Prior Ordinance; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, if not fully funded upon issuance of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 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 2012 A Bonds Reserve Requirement.

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

(5) The Issuer shall next transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 5% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in as provided herein. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any reserve account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2012 A Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2012 A Bonds as the same shall become due. Monies in the Series 2012 A Bonds Reserve Account shall be used only for the purposes of paying principal of the Series 2012 A Bonds as the same shall come due, when other monies in the Series 2012 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2012 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2012 A Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2012 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements, shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority as set forth above, all on a prorata basis.

As and when additional Bonds ranking on a parity with the Series 2012 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2012 A Bonds Sinking Fund or the Series 2012 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2012 A Bonds issued pursuant to this Bond Legislation then Outstanding.

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 2012 A Bonds, in accordance with the principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account, shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2012 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, and reserve payments with respect to the Series 2012 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement for the Series 2012 A Bonds.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as herein above 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 as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this Section, the Issuer shall 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 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

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2012 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2012 A Bonds, there shall be deposited with the Commission in the Series 2012 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2012 A Bonds.

C. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2012 A Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursement of Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the net proceeds of the Series 2012 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2012 A Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2012 A Bonds Construction Trust Fund shall be made only after submission and approval from the Authority and the DEP, of a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit B, in compliance with the construction schedule.

Pending such application, monies in the Series 2012 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2012 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2012 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2012 A Bonds is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2012 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2012 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 A Bonds.

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 2012 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of the Series 2012 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted on May 4, 2010 and the sewer rate ordinance of the Issuer enacted November 9, 2004 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2012 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2012 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the 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 as provided herein and with the written consent of the Authority and the DEP. So long as the Series 2012 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2012 A Bonds, immediately be remitted to the Commission for deposit in the Series 2012 A Bonds Sinking Fund and 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 the Series 2012 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $10,000, the Issuer shall, by approval of the Board, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders 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 2012 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2012 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2012 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2012 A Bonds, , upon any of the income and revenues of the System pledged for payment of the Series 2012 A Bonds, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior 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 2012 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2012 A Bonds.

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

So long as the Series 2005 A Bonds are outstanding, no additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived from the System during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued and then Outstanding; and

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

So long as the Series 2006 C 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 the Independent Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received after the date of issuance of such additional Parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued and then Outstanding; and

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

So long as the Series 2003 A Bonds, Series 2003 B Bonds, series 2003 D Bonds, Series 2003 E Bonds, Series 2006 D Bonds, Series 2006 E Bonds, Series 2011 A Bonds or Series 2012 A Bonds are outstanding, no such Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates 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 Clerk of the Issuer 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 filed with the Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All the covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2012 A 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. All the Bonds issued on a parity, 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 Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Series 2012 A Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2012 A Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2012 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2012 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2012 A Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 2012 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2012 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the 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, (i) to provide for all Operating Expenses of the System and (ii) so long as the Series 2005 A Bonds or Series 2006 C Bonds are outstanding, to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of the Series 2012 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 A Bonds, including the Prior Bonds, and thereafter 115% of such amount; provided that, when the Series 2005 A Bonds and Series 2006 A Bonds are no longer outstanding, and in the event that amounts equal to or in excess of the reserve requirement are on deposit respectively in the Series 2012 A Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2012 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of the Series 2012 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation

and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement for the Series 2012 A Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

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

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

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2012 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the sewerage 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 Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the DEP necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2012

A Bonds required by State law, with all appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law. The Loan Agreement attached hereto as Exhibit A is incorporated herein in its entirety. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.19. [RESERVED]

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2012 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2012 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2012 A Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2012 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2012 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often 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 2012 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2012 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2012 A Bonds as a condition to issuance of the Series 2012 A Bonds.

In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2012 A Bonds as may be necessary in order to maintain the status of the Series 2012 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2012 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2012 A Bonds are derived, to lose their status as tax-exempt

bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2012 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2012 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of any Series 2012 A Bonds;

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2012 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2012 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond;

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2012 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2012 A Bonds, the principal of, due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of 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 2012 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2012 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2012 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2012 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2012 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2012 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2012 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to

assure the excludability of interest on the Series 2012 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2012 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. 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, this Section shall not be applicable to the Prior Ordinance. In the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive) 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 Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Parkersburg News,* a newspaper 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 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.08. Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading:	February 28, 2012
Passed on Second Reading:	March 13, 2012
Passed on Final Reading Following Public Hearing:	March 27, 2012

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF PARKERSBURG on the 27th day of March, 2012.

Dated: May 23, 2012.

[SEAL]

Connie Shaffer

Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document 3

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF PARKERSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Parkersburg (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective March 27, 2012 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $7,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program) in an aggregate principal amount not to exceed $7,000,000 (the "Series 2012 A Bonds"), and has authorized the execution and delivery of the Loan Agreement relating to the Series 2012 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") for the Series 2012 A Bonds (the "Loan Agreement"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Series 2012 A Bonds should be established by a supplemental resolution pertaining to the Series 2012 A Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer;

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF 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 Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $5,731,700. The Series 2012 A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2033, and shall bear no interest. The principal of the Series 2012 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2013 to and including September 1, 2033, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2012 A Bonds. The Series 2012 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the 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 2012 A Bonds. The Administrative Fee of 0.5% (as defined in the hereinafter described Bond

Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing December 1, 2013 as set forth on Exhibit B attached hereto.

Section 2. All other provisions relating to the Series 2012 A Bonds and the text of each series of the Series 2012 A Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby accepts and agrees to all covenants and representations made in the Loan Agreement and in the applications to the Authority and the DEP. The price of the Series 2012 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2012 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

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

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

Section 7. Series 2012 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 A Bonds Reserve Account.

Section 8. The balance of the proceeds of the Series 2012 A Bonds shall be deposited in or credited to the Series 2012 A Bonds Construction Trust Fund as received from the DEP from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2012 A Bonds and related costs.

Section 9. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about, May 23, 2012, to the Authority pursuant to the Loan Agreement.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2012 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond 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 Series 2012 A Sinking Fund shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Parkersburg Utility Board is authorized to approve all invoices and pay requests for the project.

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

[Remainder of Page Intentionally Blank]

Adopted this 22nd day of May, 2012.

By: _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Parkersburg on the 22nd of May, 2012.

Dated: May 23, 2012.

[SEAL]

Connie Shaffer
Clerk

686870.00026

5799655

SRF-LP-1
(10/11)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

CITY OF PARKERSBURG (2010S-1220/C-544420-02)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a 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 the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

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

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

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, 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 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.9 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government 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.

1.10 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.11 "System" means the wastewater treatment facility owned by the Local Government, 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 Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government 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 Local Government 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 Local Government, 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 DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective 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 Local Government further agrees that the Authority and DEP and their respective duly authorized agents 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 DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government 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 Local Government shall permit the Authority and DEP, acting by and through their Directors or 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 Local Government shall submit to the Authority and DEP 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 Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government 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 Local Government 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 Local Government 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 DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) 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 Local Government, 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 Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local

Bonds are outstanding. Prior to commencing operation of the Project, the Local Government 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 Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government 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. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Loan Agreement.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP 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 Local Government, 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 B and incorporated herein by reference, and forward a copy by the 20th of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.14 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, 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 Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government 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;

(d) The Local Government 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 Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government 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 and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government 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 DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, 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 and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, 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 and DEP shall have received a certificate of the Consulting Engineers, or such

other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP 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 and DEP, including the SRF Regulations, 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 Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government 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 Local Government 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, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing."

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(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 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 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 Local Government 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 net or gross revenues of the System as provided 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 Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government 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 DEP; 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 Local Government 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 Local Government 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 Local Government 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 and all rights as set forth in Section 5 of the Act;

(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 Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government 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 DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government 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 DEP 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, 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 Local Government 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 Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, 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 Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

(xvii) That the Local Government 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 Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F 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 Local Government 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 Local Government shall have obtained the certificate of the Consulting Engineers 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government 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 Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

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

The Local Government 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 nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall

be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y 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.

4.4 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 Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be 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 any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government 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 Local Government 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 Local Government 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 Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government 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 The Local Government hereby warrants and represents that all information provided to the Authority and DEP 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 DEP 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 DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government 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, the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Government 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 Local Government fails to make any such rebates as required, then the Local Government 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.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP 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.

6.7 The Local Government hereby agrees to file with the Authority and DEP 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 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 Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 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.

7.3 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.

7.4 No waiver by any 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.

7.5 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.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government 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.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) 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 DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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

(SEAL)

By: _____
Its: Mayor
Date: May 11, 2012

Attest:

_____
Its: City Clerk

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Director
Date: May 11, 2012

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: May 11, 2012

Attest:

_____
Its: Authorized Officer

{C2304052.1}

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government
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 Local Government 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 Local Government 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 Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th 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 C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

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 meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), 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 the DEP and any change orders approved by the Issuer, the DEP 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 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 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 approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

By _____
West Virginia License No.

[SEAL]

---

[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 E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) – Effective October 1, 2003, the Local Government that receives $500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. ASSET MANAGEMENT – The Local Government shall submit an acceptable asset management plan or where applicable, updated plans, to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

D. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

E. CLOSING REQUIREMENTS – Closing of the Bonds is conditioned upon the receipt of an acceptable final title opinion.

EXHIBIT F

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 Local Government] on [Date].

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), 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"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, 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 principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending _____ 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 Local Government on _____, as supplemented by the supplemental

resolution duly adopted by the Local Government 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 Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

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

3. The Local Government 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 Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government 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 Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, 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,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$5,731,700
Purchase Price of Local Bonds	$5,731,700

The Local Bonds shall bear no interest. Commencing December 1, 2013, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. 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 Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government 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 Local Government:

(i) City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000;

(ii) City of Parkersburg 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;

(iii) City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000;

(iv) City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705;

(v) City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000;

(vi) City of Parkersburg Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000;

(vii) City of Parkersburg Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000;

(viii) City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,372,600; and

(ix) City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000.

Number of New Customers: N/A
Location: Plant Upgrade

SCHEDULE Y

DEBT SERVICE SCHEDULE

City of Parkersburg

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Closing Date: May 23, 2012

Date	Principal	Interest	20 Years Total Debt Service	Admin Fee	Net Debt Service
12/1/2013	71,646		71,646	3,627.10	75,273.10
3/1/2014	71,646		71,646	3,627.10	75,273.10
6/1/2014	71,646		71,646	3,627.10	75,273.10
9/1/2014	71,647		71,647	3,627.10	75,274.10
12/1/2014	71,646		71,646	3,627.10	75,273.10
3/1/2015	71,646		71,646	3,627.10	75,273.10
6/1/2015	71,646		71,646	3,627.10	75,273.10
9/1/2015	71,647		71,647	3,627.10	75,274.10
12/1/2015	71,646		71,646	3,627.10	75,273.10
3/1/2016	71,646		71,646	3,627.10	75,273.10
6/1/2016	71,646		71,646	3,627.10	75,273.10
9/1/2016	71,647		71,647	3,627.10	75,274.10
12/1/2016	71,646		71,646	3,627.10	75,273.10
3/1/2017	71,646		71,646	3,627.10	75,273.10
6/1/2017	71,646		71,646	3,627.10	75,273.10
9/1/2017	71,647		71,647	3,627.10	75,274.10
12/1/2017	71,646		71,646	3,627.10	75,273.10
3/1/2018	71,646		71,646	3,627.10	75,273.10
6/1/2018	71,646		71,646	3,627.10	75,273.10
9/1/2018	71,647		71,647	3,627.10	75,274.10
12/1/2018	71,646		71,646	3,627.10	75,273.10
3/1/2019	71,646		71,646	3,627.10	75,273.10
6/1/2019	71,646		71,646	3,627.10	75,273.10
9/1/2019	71,647		71,647	3,627.10	75,274.10
12/1/2019	71,646		71,646	3,627.10	75,273.10
3/1/2020	71,646		71,646	3,627.10	75,273.10
6/1/2020	71,646		71,646	3,627.10	75,273.10
9/1/2020	71,647		71,647	3,627.10	75,274.10
12/1/2020	71,646		71,646	3,627.10	75,273.10
3/1/2021	71,646		71,646	3,627.10	75,273.10
6/1/2021	71,646		71,646	3,627.10	75,273.10
9/1/2021	71,647		71,647	3,627.10	75,274.10
12/1/2021	71,646		71,646	3,627.10	75,273.10
3/1/2022	71,646		71,646	3,627.10	75,273.10
6/1/2022	71,646		71,646	3,627.10	75,273.10
9/1/2022	71,647		71,647	3,627.10	75,274.10
12/1/2022	71,646		71,646	3,627.10	75,273.10
3/1/2023	71,646		71,646	3,627.10	75,273.10
6/1/2023	71,646		71,646	3,627.10	75,273.10

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Closing Date: May 23, 2012

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2023	71,647		71,647	3,627.10	75,274.10
12/1/2023	71,646		71,646	3,627.10	75,273.10
3/1/2024	71,646		71,646	3,627.10	75,273.10
6/1/2024	71,646		71,646	3,627.10	75,273.10
9/1/2024	71,647		71,647	3,627.10	75,274.10
12/1/2024	71,646		71,646	3,627.10	75,273.10
3/1/2025	71,646		71,646	3,627.10	75,273.10
6/1/2025	71,646		71,646	3,627.10	75,273.10
9/1/2025	71,647		71,647	3,627.10	75,274.10
12/1/2025	71,646		71,646	3,627.10	75,273.10
3/1/2026	71,646		71,646	3,627.10	75,273.10
6/1/2026	71,646		71,646	3,627.10	75,273.10
9/1/2026	71,647		71,647	3,627.10	75,274.10
12/1/2026	71,646		71,646	3,627.10	75,273.10
3/1/2027	71,646		71,646	3,627.10	75,273.10
6/1/2027	71,646		71,646	3,627.10	75,273.10
9/1/2027	71,647		71,647	3,627.10	75,274.10
12/1/2027	71,646		71,646	3,627.10	75,273.10
3/1/2028	71,646		71,646	3,627.10	75,273.10
6/1/2028	71,646		71,646	3,627.10	75,273.10
9/1/2028	71,647		71,647	3,627.10	75,274.10
12/1/2028	71,646		71,646	3,627.10	75,273.10
3/1/2029	71,646		71,646	3,627.10	75,273.10
6/1/2029	71,646		71,646	3,627.10	75,273.10
9/1/2029	71,647		71,647	3,627.10	75,274.10
12/1/2029	71,646		71,646	3,627.10	75,273.10
3/1/2030	71,646		71,646	3,627.10	75,273.10
6/1/2030	71,646		71,646	3,627.10	75,273.10
9/1/2030	71,647		71,647	3,627.10	75,274.10
12/1/2030	71,646		71,646	3,627.10	75,273.10
3/1/2031	71,646		71,646	3,627.10	75,273.10
6/1/2031	71,646		71,646	3,627.10	75,273.10
9/1/2031	71,647		71,647	3,627.10	75,274.10
12/1/2031	71,646		71,646	3,627.10	75,273.10
3/1/2032	71,646		71,646	3,627.10	75,273.10
6/1/2032	71,646		71,646	3,627.10	75,273.10
9/1/2032	71,647		71,647	3,627.10	75,274.10
12/1/2032	71,646		71,646	3,627.10	75,273.10
3/1/2033	71,646		71,646	3,627.10	75,273.10
6/1/2033	71,646		71,646	3,627.10	75,273.10
9/1/2033	71,647		71,647	3,627.10	75,274.10
	5,731,700		5,731,700	290,168.00	6,021,868.00

Note: Quarterly administrative fee of $3,627.10 is included to reflect a total administrative expense of $290,168.00

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Issued: October 28, 2011

CASE NO. 11-0954-S-CN

PARKERSBURG UTILITY BOARD
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing system and for approval of the financing thereof.

CORRECTIVE ORDER

This Corrective Order corrects some inadvertent typographical errors contained in the October 21, 2011 Recommended Decision.

PROCEDURE

On June 30, 2011, the Parkersburg Utility Board (Parkersburg), a municipally operated public sewer utility, filed an application with the Public Service Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to construct certain additions and improvements to its existing sewer system and for approval of the financing for the project. The West Virginia Infrastructure and Jobs Development Council (IJDC) has approved the project, designated as Project No. 2010S-1220. Parkersburg estimated that the project would cost approximately $7,731,700, to be funded by a $5,731,700 loan from the West Virginia Clean Water State Revolving Fund (SRF) bearing interest at the rate of 0% and an administrative fee of 0.5% for a term of 20 years and by a $2,000,000 contribution from Parkersburg. The project will not require that Parkersburg increase its rates and charges to support the project.

On October 21, 2011, the Administrative Law Judge (ALJ) entered a Recommended Decision approving the certificate application and the funding for the project.

On October 27, 2011, Parkersburg moved the ALJ to issue a Corrective Order to correct some typographical errors contained in the October 21, 2011 Recommended Decision regarding the amount of the project cost and financing and regarding references to Parkersburg as "Parkersburg Water Board" rather than Parkersburg Utility Board. In particular, Parkersburg requested that Finding of Fact No. 1 and the second ordering paragraph be corrected.

Having considered all of the above, the ALJ accordingly will correct Finding of Fact No. 1 to read as follows:

> 1. The Parkersburg Utility Board filed an application with the Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to construct certain additions and improvements to its existing sewer system and for approval of the financing for the project. The IJDC has approved the project, designated as Project No. 2010S-1220. The project will cost approximately $7,731,700, to be funded by a $5,731,700 SRF loan bearing interest at the rate of 0% and an administrative fee of 0.5% for a term of 20 years and by a $2,000,000 contribution from Parkersburg. The project will not require that Parkersburg increase its rates and charges to support the project. (See, application filed on June 30, 2011; Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

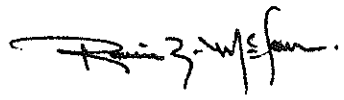
Likewise, the ALJ will correct the second ordering paragraph to read as follows:

> IT IS FURTHER ORDERED that the proposed financing for the project, which totals approximately $7,731,700 and is comprised of a $5,731,700 loan West Virginia Clean Water Clean Water State Revolving Fund, bearing 0% interest and a 0.5% administrative fee for a term of 20 years, and by a $2,000,000 contribution from Parkersburg's cash reserve, be, and hereby is, approved.

ORDER

IT IS, THEREFORE, ORDERED that the Recommended Decision entered in this matter on October 21, 2011, be, and hereby is, **corrected**, as set forth above. In all other respects the Recommended Decision remains unchanged and in full force and effect.

IT IS FURTHER ORDERED that the Executive Secretary's Office serve a copy of this order upon all parties by electronic service, if they have filed an e-service agreement with the Commission; by United States Certified Mail, return receipt requested, if they have not filed an e-service agreement with the Commission; and upon Commission Staff by hand delivery.



RONNIE Z. McCANN
Deputy Chief Administrative Law Judge

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
11/10/2011

Entered: October 21, 2011

CASE NO. 11-0954-S-CN

PARKERSBURG UTILITY BOARD
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing system and for approval of the financing thereof.

RECOMMENDED DECISION

This Recommended Decision grants a certificate of public convenience and necessity to the Parkersburg Utility Board to construct certain additions and improvements to the existing sewage collection and treatment system and approves the financing for the project.

PROCEDURE

On June 30, 2011, the Parkersburg Water Board (Parkersburg), a municipally operated public sewer utility, filed an application with the Public Service Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to construct certain additions and improvements to its existing sewer system and for approval of the financing for the project. The West Virginia Infrastructure and Jobs Development Council (IJDC) has approved the project, designated as Project No. 2010S-1220. Parkersburg estimated that the project would cost approximately $7,731,000, to be funded by a $5,731,000 loan from the West Virginia Clean Water State Revolving Fund (SRF) bearing interest at the rate of 0% and an administrative fee of 0.5% for a term of 20 years and by a $2,000,000 contribution from Parkersburg. The project will not require that Parkersburg increase its rates and charges to support the project.

By the Commission Order entered on June 30, 2011, the Commission required that Parkersburg publish the Notice of Filing attached to that Order once in a newspaper duly qualified under *Code* §59-3-1 *et seq.*, published and generally circulated in Wood County, providing a 30-day protest period. The June 30, 2011 Order also required that, within 30 days of the Order, the District serve a copy of the Notice of Filing on each of its resale customers by certified mail, return receipt requested. The June 30, 2011 Order also required that Parkersburg file an affidavit showing compliance with these notice requirements, including a publication affidavit, within 30 days. The June 30, 2011 Order also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application.

By the Referral Order entered on July 12, 2011, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before November 13, 2011, if substantial protest was not filed, or by December 12, 2011, if the matter was substantially protested.

On July 13, 2011, Parkersburg filed the publication affidavit showing that the Notice of Filing was published as directed by the June 30, 2011 Order in the *Parkersburg News and Sentinel* on July 8, 2011, and proof that Parkersburg had notified its resale customers of the certificate application as directed by the June 30, 2011 Order.

On August 3, 2011, Staff Attorney Ronald E. Robertson, Jr., submitted the Initial Joint Staff Memorandum, attaching the July 26, 2011 Initial Memorandum from Utilities Analyst James Boggess, Utilities Division, and from Technical Analyst Joseph Marakovits, Engineering Division, indicating that, once it had completed its investigation, Commission Staff would submit a final substantive recommendation.

The certificate application is unprotested.

By Procedural Order issued on August 11, 2011, the Administrative Law Judge (ALJ) held that, since the matter is unprotested, the decision due date for the ALJ Division is November 10, 2011, since November 13, 2011 is a Sunday; November 12, 2011 is a Saturday; and November 11, 2011 is a holiday. The August 11, 2011 Order also required that Commission Staff file its final substantive recommendation no later than September 29, 2011.

On September 29, 2011, Staff Attorney Robertson filed the Final Joint Staff Memorandum, attaching the September 28, 2011 Final Recommendation prepared by Mr. Marakovits and Mr. Boggess. Together, these Memoranda comprise Commission Staff's final substantive recommendation. The project consists of two contracts. Contract No. 1 is the First Avenue and Agnes Street pumping stations upgrade, including the installation of two new pumps, electrical equipment and various other related miscellaneous appurtenances. The treatment capacity at the Agnes Street pump station will be increased from approximately 5,300,000 gallons per day to approximately 8,500,000 gallons per day and the pumping capacity at the First Avenue pump station will increase from approximately 4,600,000 gallons per day to approximately 8,800,000 gallons per day. Contract No. 2 is the Agnes Street force main replacement, including the installation of an 18-inch force main to replace the existing force main and various other related miscellaneous appurtenances. The IJDC determined that the project is technically feasible. The total project cost will be approximately $7,732,000, which averages about $500 per existing customer, since Parkersburg has approximately 15,450 existing customers. The project is convenient from a cost and customer density perspective. The existing sewage collection and treatment system experiences significant inflow and infiltration (I&I) problems, especially in wet weather, in spite of Parkersburg's attempts to address the problem. Parkersburg has entered into an agreed order with the West Virginia Department of Environmental Protection (DEP) to remove all sanitary sewer overflows by the year 2020. The upgrades to the pumping stations and the increased treatment capacity will alleviate much of the overflow problems and will bring Parkersburg into compliance with its National Pollutant Discharge Elimination System (NPDES) permit and other federal mandates. Although the DEP has

not officially approved the plans and specifications, they are approvable pending the issuance of a finding of no significant impact. The plans and specifications do not conflict with Commission rules and regulations. Increased operation and maintenance (O&M) expenses related to the larger pumps will be offset by their improved efficiency.

The project will be funded by a $5,731,700 SRF loan bearing interest at the rate of 0% and an administrative fee of 0.5% for a term of 20 years and by a $2,000,000 contribution from Parkersburg's cash reserves. Parkersburg's existing rates and charges are sufficient to support the project and will provide a 132% debt service coverage ratio and a cash surplus of approximately $884,981, with a total of $1,102,141 available for capital improvements when the renewal and replacement reserve fund is included. Staff recommended that the Commission approve the project and grant Parkersburg a certificate of convenience and necessity contingent upon the receipt of written approval of the engineering plans and specification from the DEP and the receipt of all other local, state and federal agency approvals. The Commission should order Parkersburg to file a copy of the engineer's certified tabulation of bids for all contracts associated with the project within 10 days of opening the bids and file the certificate of substantial completion for each contract associated with the project within 10 days of the issuance of such document. Should the plans or scope of the project change or should the project require a change in rates, Parkersburg must obtain separate Commission approval before commencing construction. Changes in the project costs or financing that do not affect rates do not need separate Commission approval if Parkersburg files an affidavit to that effect from a certified public account.

The Executive Secretary served a copy of Staff's final substantive recommendation on the parties on September 29, 2011, with a cover letter notifying the parties that, unless the parties responded within ten days, in writing, the Commission may enter a final order disposing of the formal complaint proceeding without further notice or hearing.

DISCUSSION

Since Parkersburg properly published the Notice of Filing as directed and no protests were filed; since the project, which consists of two contracts, one to upgrade the First Avenue and Agnes Street pumping stations to increase their treatment capacity from a total of approximately 9,900,000 gallons per day to approximately 17,300,000 gallons per day and the other to enlarge the capacity of a large force main, which alleviate the sanitary sewage overflow problems and bring Parkersburg into compliance with its NPDES permit; since the IJDC has determined that the project is feasible; since the total project cost of approximately $7,732,000 averages about $500 per existing customer; since the project is convenient from a cost and customer density perspective; since Parkersburg has entered into an agreed order with the DEP to remove all sanitary sewer overflows by the year 2020; since the plans and specification do not conflict with Commission rules and regulations; since Parkersburg's existing rates and charges are sufficient to support the project; and since Commission Staff has recommended approval of the application, the ALJ holds that the public convenience and necessity require the project and he will approve the certificate application, contingent upon Parkersburg filing all required local, state and federal agency permits. The ALJ also will approve the project financing,

comprised of a $5,731,700 SRF loan bearing interest at the rate of 0% and an administrative fee of 0.5% for a term of 20 years and by a $2,000,000 contribution from Parkersburg's cash reserves.

FINDINGS OF FACT

1. The Parkersburg Water Board filed an application with the Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to construct certain additions and improvements to its existing sewer system and for approval of the financing for the project. The IJDC has approved the project, designated as Project No. 2010S-1220. The project will cost approximately $7,731,000, to be funded by a $5,731,000 SRF loan bearing interest at the rate of 0% and an administrative fee of 0.5% for a term of 20 years and by a $2,000,000 contribution from Parkersburg. The project will not require that Parkersburg increase its rates and charges to support the project. (See, application filed on June 30, 2011; Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

2. Parkersburg caused the Notice of Filing to be published as directed by the June 30, 2011 Order in the *Parkersburg News and Sentinel* on July 8, 2011, and provided proof that Parkersburg had notified its resale customers of the certificate application as directed by the June 30, 2011 Order. (See, publication affidavit and other documents filed on July 13, 2011).

3. No one protested the certificate application. (See, Commission's file).

4. The project consists of two contracts. Contract No. 1 is the First Avenue and Agnes Street pumping stations upgrade, including the installation of two new pumps, electrical equipment and various other related miscellaneous appurtenances. The treatment capacity at the Agnes Street pump station will be increased from approximately 5,300,000 gallons per day to approximately 8,500,000 gallons per day and the pumping capacity at the First Avenue pump station will increase from approximately 4,600,000 gallons per day to approximately 8,800,000 gallons per day. Contract No. 2 is the Agnes Street force main replacement, including the installation of an 18-inch force main to replace the existing force main and various other related miscellaneous appurtenances. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

5. The IJDC determined that the project is technically feasible. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

6. The total project cost will be approximately $7,732,000, which averages about $500 per existing customer, since Parkersburg has approximately 15,450 existing customers, which makes the project convenient from a cost and customer density perspective. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

7. Although the existing sewage collection and treatment system experiences significant I&I problems, especially in wet weather, in spite of Parkersburg's attempts to address the problem, Parkersburg has entered into an agreed order with the DEP to remove all sanitary sewer overflows by the year 2020. The upgrades to the pumping stations and the increased treatment capacity will

alleviate much of the overflow problems and will bring Parkersburg into compliance with its NPDES permit and other federal mandates. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

8. Although the DEP has not officially approved the plans and specifications, they are approvable pending the issuance of a finding of no significant impact. The plans and specifications do not conflict with Commission rules and regulations. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

9. Increased O&M expenses related to the larger pumps will be offset by their improved efficiency. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

10. Commission Staff confirmed that the project will be funded by a $5,731,700 SRF loan bearing interest at the rate of 0% and an administrative fee of 0.5% for a term of 20 years and by a $2,000,000 contribution from Parkersburg's cash reserves. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

11. Staff also confirmed that Parkersburg's existing rates and charges are sufficient to support the project and will provide a 132% debt service coverage ratio and a cash surplus of approximately $884,981, with a total of $1,102,141 available for capital improvements when the renewal and replacement reserve fund is included. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

12. Staff recommended that the Commission approve the project and grant Parkersburg a certificate of convenience and necessity contingent upon the receipt of written approval of the engineering plans and specification from the DEP and the receipt of all other local, state and federal agency approvals. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

13. Staff also recommended that the Commission order Parkersburg to file a copy of the engineer's certified tabulation of bids for all contracts associated with the project within 10 days of opening the bids and file the certificate of substantial completion for each contract associated with the project within 10 days of the issuance of such document. Should the plans or scope of the project change or should the project require a change in rates, Parkersburg must obtain separate Commission approval before commencing construction. Changes in the project costs or financing that do not affect rates do not need separate Commission approval if Parkersburg files an affidavit to that effect from a certified public account. (See, Final Joint Staff Memorandum, with attachment, filed on September 29, 2011).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed financing for the project should be approved.

3. Parkersburg's existing rates are sufficient to support the proposed project.

4. Should the scope, plans or financing for the project change, Parkersburg must obtain prior Commission approval before commencing construction. Changes in project costs or funding do not require separate approval if those changes do not affect rates and Parkersburg submits an affidavit from a certified public accountant to this effect.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on June 30, 2011, by the Parkersburg Utility Board pursuant to *Code* §24-2-11 to construct additions and improvements to Parkersburg's existing sewer collection and treatment system, comprised of two contracts, one to increase the treatment and pumping capacity and the other to replace a large force main, be, and hereby is, granted, subject to the receipt by Parkersburg and filing with the Commission of all required local, state and federal agency permits.

IT IS FURTHER ORDERED that the proposed financing for the project, which totals approximately $7,731,000 and is comprised of a $5,731,000 loan West Virginia Clean Water Clean Water State Revolving Fund, bearing 0% interest and a 0.5% administrative fee for a term of 20 years, and by a $2,000,000 contribution from Parkersburg's cash reserve, be, and hereby is, approved.

IT IS FURTHER ORDERED that, should the scope or plans for the project change, the Parkersburg Utility Board obtain prior Commission approval before commencing construction. Changes in project cost and financing do not require separate approval if those changes do not affect rates and Parkersburg submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the Parkersburg Utility Board submit a copy of the certified tabulation of bids to the Commission for each contract associated with the project, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that the Parkersburg Utility Board notify the Commission when the project engineer has performed the substantial completion inspection and submit the certificate of substantial completion to the Commission as soon as it becomes available.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Parkersburg Utility Board comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

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

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; by electronic service upon all parties of record who have filed an e-

service agreement with the Commission; and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

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

Ronnie Z. McCann
Deputy Chief Administrative Law Judge

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WEST VIRGINIA
Infrastructure & Jobs Development Council

JAN 13 2011

Gov. Earl Ray Tomblin
Chairman

Kenneth Lowe, Jr.
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Louis Spatafore
Public Member

Joseph Freeland
Public Member

James W. Ellars, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

January 6, 2011

Eric Bennett, General Manager
Parkersburg Utility Board
125 19th Street
Parkersburg, WV 26101

Re: Parkersburg Utility Board
Sewer Project 2010S-1220

Dear Mr. Bennett:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) has reviewed the Parkersburg Utility Board's (Board) preliminary application to make improvements to the First Avenue and Agnes Street pumping stations by installing larger capacity pumps, new electrical service and generators and replacing the 3,000-foot Agnes Street force main (Project).

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

Upon consideration of the preliminary application, the Infrastructure Council recommends that the Board utilize $2,000,000 Parkersburg Utility Board reserves and pursue a $5,731,700 Clean Water State Revolving Fund loan (.5%, 20 yrs) to fund this $7,731,700 Project. Please contact the West Virginia Division of Environmental Protection office at 304-926-0499 (X1611) for specific information on the steps the Board needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact James W. Ellars at 304-558-4607 (X201).

Sincerely,

Kenneth Lowe, Jr.

Enclosure

cc: Mike Johnson, P.E., DEP (w/o enclosure) *(via e-mail)*
Scott Stearns, Strand Associates, Inc.

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

September 27, 2011

Mr. Eric Bennett, Manager
City of Parkersburg Utility Board
125 Nineteenth Street
Parkersburg, West Virginia 26101-2516

RE: Parkersburg 1st Ave. & Agnes St.
Binding Commitment
SRF No. C-544420-02
IJDC No. 2010S-1220

Dear Mr. Bennett:

This letter is to confirm our intention of providing the long-term financing through the Clean Water State Revolving Fund Program for the City's wastewater improvement project. The project involves installing larger capacity pumps, new electrical service and generators at the First Avenue and Agnes Street pumping stations and replacing approximately 3,000 linear feet of the Agnes Street force main. There will be no new customers added to the system.

We are hereby committing an amount of $5,731,700 at 0% interest, 0.5% annual administrative fee, for a term of 20 years. The City qualifies for these terms as long as the 4,000 gallon average sewer rate is equal to or greater than $33.74 (1.5% MHI). We understand the proposed 4,000 gallon rate for the City is estimated to be $36.59. These funds are being provided through the base CWSRF Program. The final loan amount may be adjusted after receipt of bids and a formal application is submitted.

If the City's bonds have not been issued to the Fund prior to March 27, 2012, it is understood that the Fund reserves the right to discontinue processing the City's application and on that day, will have no further responsibilities or obligations hereunder.

Should you have any questions, please do not hesitate to contact me at (304) 926-0499, extension #1596 or at Katheryn.D.Emery@wv.gov .

Sincerely,

Katheryn D. Emery, P.E.
Program Manager
Clean Water SRF Program

KDE/cg

cc: WVPSC (11-0954-S-CN)
Mr. John Stump, Equire, Steptoe & Johnson
Ms. Samme Gee, Esquire, Jackson Kelly
Mr. Jim Ellers, P.E., WVIJDC

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 23rd day of May, 2012, 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 date hereof, the Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), of the Issuer, in the principal amount of $5,731,700, numbered AR-1 (the "Series 2012 A Bonds"), issued as a single, fully registered Bond, and dated May 23, 2012.

2. At the time of such receipt, the Series 2012 A Bonds had been executed by the Mayor and the Clerk of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2012 A Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2012 A Bonds, of the sum of $487,967, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

THE CITY OF PARKERSBURG

By: _____
Its: Mayor

04.20.12
686870.00026

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith on this 23rd day of May, 2012:

(1) Bond No. AR-1, constituting the entire original issue of The City of Parkersburg Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), in the principal amount of $5,731,700 (the "Series 2012 A Bonds"), dated May 23, 2012, executed by the Mayor and 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 March 27, 2012, and a Supplemental Resolution duly adopted by the Issuer on May 22, 2012 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a Loan Agreement for the Series 2012 A Bonds, dated May 11, 2012 Ay and among the Issuer, the West Virginia Water Development Authority and the West Virginia Department of Environmental Protection (the "Loan Agreement"); and

(4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2012 A Bonds.

You are hereby requested and authorized to deliver the Series 2012 A Bonds to the Authority upon payment to the Issuer of the sum of $487,967, representing a portion of the principal amount of the Series 2012 A Bonds. Prior to such delivery of the Series 2012 A Bonds, you will please cause the Series 2012 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

THE CITY OF PARKERSBURG

By: _____
Its: Mayor

04.20.12
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5799684

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $5,731,700

KNOW ALL MEN BY THESE PRESENTS: That on this the 23rd day of May, 2012, 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 FIVE MILLION SEVEN HUNDRED THIRTY-ONE THOUSAND SEVEN HUNDRED DOLLARS ($5,731,700), 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, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2013, to and including September 1, 2033 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing December 1, 2013, as set forth on Exhibit B attached hereto.

This bond shall bear no interest. 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 principal of this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated May 11, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the

West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on March 27, 2012, and a Supplemental Resolution duly adopted by the Issuer on May 22, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (II) 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 (THE "SERIES 2003 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"); (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"); (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"); (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"); (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,000,000 (THE "SERIES 2006 D BONDS"); (VIII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,372,600 (THE "SERIES 2006 E BONDS") AND (IX) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA DWTRF PROGRAM), DATED MARCH 16, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,800,000 (THE "SERIES 2011 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient whether calculated individually or combined to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does

not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2012 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 to (i) provide for the reasonable expenses of operation, repair and maintenance of the System, and (ii) So long as the Series 2005 A Bonds or Series 2006 A Bonds are outstanding to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and thereafter 115% of such amount; provided however, when the Series 2005 A Bonds and Series 2006 A Bonds are no longer outstanding and so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 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: May 23, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

By _____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $487,967	05/23/2012	(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

Net Debt Service

City of Parkersburg

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Closing Date: May 23, 2012

20 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
12/1/2013	71,646		71,646	3,627.10	75,273.10
3/1/2014	71,646		71,646	3,627.10	75,273.10
6/1/2014	71,646		71,646	3,627.10	75,273.10
9/1/2014	71,647		71,647	3,627.10	75,274.10
12/1/2014	71,646		71,646	3,627.10	75,273.10
3/1/2015	71,646		71,646	3,627.10	75,273.10
6/1/2015	71,646		71,646	3,627.10	75,273.10
9/1/2015	71,647		71,647	3,627.10	75,274.10
12/1/2015	71,646		71,646	3,627.10	75,273.10
3/1/2016	71,646		71,646	3,627.10	75,273.10
6/1/2016	71,646		71,646	3,627.10	75,273.10
9/1/2016	71,647		71,647	3,627.10	75,274.10
12/1/2016	71,646		71,646	3,627.10	75,273.10
3/1/2017	71,646		71,646	3,627.10	75,273.10
6/1/2017	71,646		71,646	3,627.10	75,273.10
9/1/2017	71,647		71,647	3,627.10	75,274.10
12/1/2017	71,646		71,646	3,627.10	75,273.10
3/1/2018	71,646		71,646	3,627.10	75,273.10
6/1/2018	71,646		71,646	3,627.10	75,273.10
9/1/2018	71,647		71,647	3,627.10	75,274.10
12/1/2018	71,646		71,646	3,627.10	75,273.10
3/1/2019	71,646		71,646	3,627.10	75,273.10
6/1/2019	71,646		71,646	3,627.10	75,273.10
9/1/2019	71,647		71,647	3,627.10	75,274.10
12/1/2019	71,646		71,646	3,627.10	75,273.10
3/1/2020	71,646		71,646	3,627.10	75,273.10
6/1/2020	71,646		71,646	3,627.10	75,273.10
9/1/2020	71,647		71,647	3,627.10	75,274.10
12/1/2020	71,646		71,646	3,627.10	75,273.10
3/1/2021	71,646		71,646	3,627.10	75,273.10
6/1/2021	71,646		71,646	3,627.10	75,273.10
9/1/2021	71,647		71,647	3,627.10	75,274.10
12/1/2021	71,646		71,646	3,627.10	75,273.10
3/1/2022	71,646		71,646	3,627.10	75,273.10
6/1/2022	71,646		71,646	3,627.10	75,273.10
9/1/2022	71,647		71,647	3,627.10	75,274.10
12/1/2022	71,646		71,646	3,627.10	75,273.10
3/1/2023	71,646		71,646	3,627.10	75,273.10
6/1/2023	71,646		71,646	3,627.10	75,273.10

Net Debt Service

City of Parkersburg

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Closing Date: May 23, 2012

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2023	71,647		71,647	3,627.10	75,274.10
12/1/2023	71,646		71,646	3,627.10	75,273.10
3/1/2024	71,646		71,646	3,627.10	75,273.10
6/1/2024	71,646		71,646	3,627.10	75,273.10
9/1/2024	71,647		71,647	3,627.10	75,274.10
12/1/2024	71,646		71,646	3,627.10	75,273.10
3/1/2025	71,646		71,646	3,627.10	75,273.10
6/1/2025	71,646		71,646	3,627.10	75,273.10
9/1/2025	71,647		71,647	3,627.10	75,274.10
12/1/2025	71,646		71,646	3,627.10	75,273.10
3/1/2026	71,646		71,646	3,627.10	75,273.10
6/1/2026	71,646		71,646	3,627.10	75,273.10
9/1/2026	71,647		71,647	3,627.10	75,274.10
12/1/2026	71,646		71,646	3,627.10	75,273.10
3/1/2027	71,646		71,646	3,627.10	75,273.10
6/1/2027	71,646		71,646	3,627.10	75,273.10
9/1/2027	71,647		71,647	3,627.10	75,274.10
12/1/2027	71,646		71,646	3,627.10	75,273.10
3/1/2028	71,646		71,646	3,627.10	75,273.10
6/1/2028	71,646		71,646	3,627.10	75,273.10
9/1/2028	71,647		71,647	3,627.10	75,274.10
12/1/2028	71,646		71,646	3,627.10	75,273.10
3/1/2029	71,646		71,646	3,627.10	75,273.10
6/1/2029	71,646		71,646	3,627.10	75,273.10
9/1/2029	71,647		71,647	3,627.10	75,274.10
12/1/2029	71,646		71,646	3,627.10	75,273.10
3/1/2030	71,646		71,646	3,627.10	75,273.10
6/1/2030	71,646		71,646	3,627.10	75,273.10
9/1/2030	71,647		71,647	3,627.10	75,274.10
12/1/2030	71,646		71,646	3,627.10	75,273.10
3/1/2031	71,646		71,646	3,627.10	75,273.10
6/1/2031	71,646		71,646	3,627.10	75,273.10
9/1/2031	71,647		71,647	3,627.10	75,274.10
12/1/2031	71,646		71,646	3,627.10	75,273.10
3/1/2032	71,646		71,646	3,627.10	75,273.10
6/1/2032	71,646		71,646	3,627.10	75,273.10
9/1/2032	71,647		71,647	3,627.10	75,274.10
12/1/2032	71,646		71,646	3,627.10	75,273.10
3/1/2033	71,646		71,646	3,627.10	75,273.10
6/1/2033	71,646		71,646	3,627.10	75,273.10
9/1/2033	71,647		71,647	3,627.10	75,274.10
	5,731,700		5,731,700	290,168.00	6,021,868.00

Note: Quarterly administrative fee of $3,627.10 is included to reflect a total administrative expense of $290,168.00

(Form of)

ASSIGNMENT

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

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

_____

In the presence of:

_____

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

May 23, 2012

The City of Parkersburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
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 created and existing under the laws of the State of West Virginia, of its $5,731,700 Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of an Loan Agreement dated May 11, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), 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, bearing no interest, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2013, to and including September 1, 2033, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing December 1, 2013, as set forth on Exhibit B attached hereto.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 22C, Article 2 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 additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer; and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on March 27, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 22, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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 adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000 (the "Series 2003 A Bonds"); (ii) 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 (the "Series 2003 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"); (iv)

Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000 (the "Series 2005 A Bonds"); (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000 (the "Series 2006 C Bonds"); (vii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000 (the "Series 2006 D Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,175,342 (the "Series 2006 E Bonds"); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000 (the "Series 2011 A Bonds") (collectively, the "Prior Bonds").

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

6. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

686870.00026

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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www.steptoe-johnson.com

Writer's Contact Information

May 23, 2012

The City of Parkersburg
Combined Waterworks and Sewerage System Bonds, Series 2012 A
(West Virginia SRF Program)

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to The City of Parkersburg, in Wood County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a Loan Agreement dated May 11, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), the Bond Ordinance duly enacted by the Issuer on March 27, 2012, as supplemented by the Supplemental Resolution duly adopted by the Issuer on May 22, 2012 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

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

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

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

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

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

6. 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 DEP and the Public Service Commission of West Virginia (the "PSC") and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of a water ordinance prescribing such water rates and charges dated May 4, 2010 and a sewer rate ordinance prescribing such sewer rates and charges dated November 9, 2004. The Issuer has received the Recommended Decision of the PSC dated October 21, 2011 and Corrective Order entered October 28, 2011 which became Final Order on November 10, 2011 in Case No. 11-0954-S-CN, among other things, 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 the Order has expired prior to the date hereof without any appeal and the Order remains in full force and effect

7. Prior to construction we will ascertain that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. Prior to construction we 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 and the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and we ensure that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

686870.00026

5799715

George Zivkovich

515 Market Street
P.O. Box 166
Parkersburg, WV 26102-0166

Attorney at Law
WV Law License #5001

(304) 865-3434
FAX (304) 865-3436

May 9, 2012

WV Department of Environmental Protection
601 57th Street, SE
Charleston, WV 25304-2345

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

Samme L. Gee, Esq.
JACKSON KELLY
500 Lee Street East, Suite 1600
Charleston, WV 25301-3202

John C. Stump, Esq.
STEPTOE & JOHNSON, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

RE: Final Title Opinion for City of Parkersburg by and through the Parkersburg Utility Board

Ladies and Gentlemen:

I represent the City of Parkersburg (the "Issuer") with regard to the additions and improvements to the sewerage system consisting of the construction of improvements to the First Avenue pump station that includes installation of larger capacity pumps, new electrical service, and generators, construction of improvements to the Agnes Street pump station that includes installation of larger capacity pumps, new electrical service, and generators, replacement of 3,000 feet of 14-inch Agnes Street force main with an 18-inch force main, and appurtenances relating thereto. Please be advised of the following:

1. That I am of the opinion that the Issuer is a duly created and existing Municipal Corporation possessed with all the powers and authority granted to Municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project through the Parkersburg Utility Board as approved by the DEP.

2. That the Issuer has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description 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 Strand Associates, the consulting engineers for the Project.

4. That I have examined the records on file in the Office(s) 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 the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That any deeds or other documents which have been acquired to date by the Issuer have been duly recorded in the aforesaid Clerk's Office(s) in order to protect the legal title to and interest of the Issuer.

Sincerely,

George Zivkovich

GZ/di

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

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. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS
16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
17. PUBLIC SERVICE COMMISSION ORDERS
18. SPECIMEN BOND
19. CONFLICT OF INTEREST
20. PROCUREMENT OF ENGINEERING SERVICES
21. CLEAN WATER ACT
22. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CLERK of The City of Parkersburg in Wood County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify, on this the 23rd day of May, 2012, in connection with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program) (the "Series 2012 A Bonds"), dated the date hereof (the "Bonds" or the "Series 2012 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted March 27, 2012, and the Supplemental Resolution duly adopted May 22, 2012 (collectively, the "Bond Legislation").

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

Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Bonds.

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

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000 (the "Series 2003 A Bonds"); (ii) 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 (the "Series 2003 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000 (the "Series 2005 A Bonds"); (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000 (the "Series 2006 C Bonds"); (vii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000 (the "Series 2006 D Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,175,342 (the "Series 2006 E Bonds"); and (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000 (the "Series 2011 A Bonds"), (collectively, the "Prior Bonds").

The Series 2012 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2012 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the registered owners of the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2003 D Bonds, the Series 2003 E Bonds, the Series 2006 D Bonds, the Series 2006 E Bonds and Series 2011 A Bonds to the

issuance of the Series 2012 A Bonds on a parity with the Prior Bonds. The Series 2005 A Bonds and Series 2006 C Bonds do not require consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Council Members

Water Rate Ordinance

Sewer Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinances

Affidavits of Publication of Rate Ordinances and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance, Adoption of Supplemental Resolution, First Draw Resolution and Sweep Resolution

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

Prior Bond Ordinances

WDA Consent to Issuance of Parity Bonds

Office of Environmental Health Services Permit

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 a Mayor and nine (9) council members, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name			Date of Commencement of Office	Date of Termination of Office
Nancy Wilcox	-	Councilmember	01/06/2009	12/31/2013
Sharon Lynch	-	Councilmember	01/06/2009	12/31/2013
D. Bradley Kimes	-	Councilmember	01/06/2009	12/31/2013
John R. Sandy	-	Councilmember	01/06/2009	12/31/2013
Sharyn Tallman	-	Councilmember	01/06/2009	12/31/2013
Mike Reynolds	-	Councilmember	01/06/2009	12/31/2013
Tom Joyce	-	Councilmember	01/06/2009	12/31/2013
John W. Rockhold, III	-	Councilmember	01/06/2009	12/31/2013
W. James Reed	-	Councilmember	01/06/2009	12/31/2013
Robert Newell	-	Mayor	01/06/2009	12/31/2013

The names of the duly appointed, qualified and acting members of the Utility Board of the Issuer are as follows:

Robert Newell	-	Chairman and Member
Paul Westfall	-	Member
Edward Glasser	-	Member
John Lutz	-	Member
James Province	-	Member

The duly appointed and acting Clerk of the Issuer is Connie Shaffer. The duly appointed and acting Counsel to the Issuer is Steptoe & Johnson PLLC.

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

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction and financing of the Project or the operation of the System were

authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. All insurance for the System required by the Bond Legislation and Loan Agreement is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance and the Loan Agreement. All insurance for the System required by the Ordinance and the Loan Agreement are in full force and effect.

12. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

13. RATES: The Issuer has duly enacted a water rate ordinance setting rates and charges for the services of the System on May 4, 2010 and a sewer rate ordinance setting sewer rates and charges for the System on November 9, 2004 and such rate ordinances are currently in full force and effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by their manual signatures, and the undersigned Clerk did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature,

and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS: On the date hereof, the Issuer received $487,967 from the Authority and the DEP, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. 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*, a qualified newspaper published and of general circulation 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 Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 27th day of March, 2012, at 7:30 p.m., at the City Hall in Parkersburg, West Virginia, and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the 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.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia dated October 21, 2011 and Corrective Order entered October 28, 2011 which became Final Order on November 10, 2011, in Case No. 11-0954-S-CN, among other things, 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 the Order has expired. Such Order is in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2012 A Bonds.

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

20. 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.

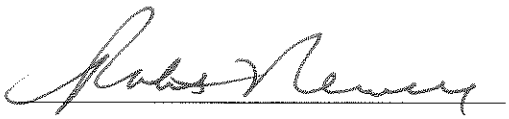
21. CLEAN WATER ACT: The Project as described in the Bond Legislation complies with the Clean Water Act.

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

[Remainder of Page Intentionally Left Blank]

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	Clerk
	Counsel to the Issuer

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THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Scott W. Stearns, Registered Professional Engineer, West Virginia License No. 14131 of Strand & Associates, Inc., Madison, Wisconsin, hereby certify this 23rd day of May, 2012 as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the sewerage portion of the existing public waterworks and sewerage facilities (the "System") of The City of Parkersburg (the "Issuer"), to be constructed in Wood County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on March 27, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer on May 22, 2012, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated May 11, 2012 (the "Loan Agreement").

2. The 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. 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 DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 22 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and the Issuer's counsel, Steptoe & Johnson PLLC, 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 and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the

United States necessary for the acquisition and construction of the Project and the operation of the System; (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 approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

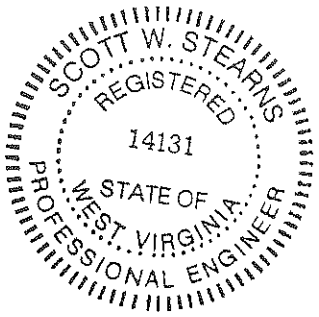
4. The Project will serve no new customers.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal on the day and year first written above.

STRAND & ASSOCIATES, INC.

(SEAL)



Scott W. Stearns, P.E.
West Virginia License No. 14131

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Parkersburg Utility Board May 4, 2012
IJDC No. 2010S-1220
Preliminary Schedule B

A. COST OF PROJECT	TOTAL	PUB	CWSRF LOAN
1 Construction			
a. Contract 1-2012	3,589,000.00	0.00	3,589,000.00
b. Contract 2-2012	1,626,596.00	0.00	1,626,596.00
c. Contract 2-2012 - Change Order #1	-554,670.50	0.00	-554,670.50
c. Hazardous soils landfill fees - 2-2012	250,000.00	0.00	250,000.00
2 Engineering - Strand Associates			
a. Final Design and Bidding	453,530.00	0.00	453,530.00
b. Services during Construction	169,335.00	124,680.50	44,654.50
c. Resident Project Representative	190,565.00	190,565.00	0.00
d. Post construction services	26,540.00	26,540.00	0.00
e. redesign engineering (CSX)	50,000.00	50,000.00	0.00
3 Legal			
a. Project Attorney - George Zivkovich	15,000.00	15,000.00	0.00
b. ROW Attorney - George Zivkovich	5,000.00	5,000.00	0.00
c. PSC Attorney - Steptoe & Johnson	25,000.00	25,000.00	0.00
4 Accounting - Michael Griffith & Associates	19,000.00	19,000.00	0.00
5 Other Administrative Costs			
a. Permits	60,000.00	60,000.00	0.00
6 Easements	0.00	0.00	0.00
7 Project Contingency (@ 5% of Construction)	288,090.00	0.00	288,090.00
Contingency for sluice gates & actuators	600,000.00	600,000.00	0.00
8 TOTAL of Lines 1 through 7	6,812,985.50	1,115,785.50	5,697,200.00
B. COST OF FINANCING			
9 Registrar	500.00	0.00	500.00
10 Bond Counsel - Steptoe & Johnson	34,000.00	0.00	34,000.00
11 Cost of Issuance (line 9 plus line 10)	34,500.00	0.00	34,500.00
12 TOTAL PROJECT COST (line 11 plus line 8)	6,847,485.50	1,115,785.50	5,731,700.00
C. SOURCES OF OTHER FUNDS			
13 State Grants	0.00	0.00	0.00
14 Federal Grants	0.00	0.00	0.00
15 Other Grants	0.00	0.00	0.00
16 Any Other Source (PUB)	1,115,785.50	1,115,785.50	0.00
17 TOTAL GRANTS (lines 13 through 16)	1,115,785.50	1,115,785.50	0.00
18 Size of Bond Issue (line 12 minus line 17)	5,731,700.00	0.00	5,731,700.00

Eric Bennett
Parkersburg Utility Board

Scott Sowens 5/10/2012
Strand Associates

May 23, 2012

The City of Parkersburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

The City of Parkersburg
Parkersburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges as set forth in the Water Rate Ordinance enacted by The City of Parkersburg (the "Issuer") on May 4, 2010 and Sewer Rate Ordinance enacted by the Issuer on November 9, 2004 and the projected operating expenses and the anticipated customer usage of the combined waterworks and sewerage system (the "System") as furnished to us by the Consulting Engineer to The City of Parkersburg (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the System of the Issuer, will pay all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), issued in the aggregate principal amount of 5,731,700 (the "Series 2012 A Bonds") and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 A Bonds, including the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000 (the "Series 2003 A Bonds"); (ii) 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 (the "Series 2003 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000 (the "Series 2005 A Bonds"); (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000 (the "Series 2006 C Bonds"); (vii) Combined Waterworks and Sewerage System Refunding Revenue Bonds,

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Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000 (the "Series 2006 D Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,175,342 (the "Series 2006 E Bonds"); and (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000 (the "Series 2011 A Bonds"), (collectively, the "Prior Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2012 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2012 A Bonds and the Prior Bonds.

Very truly yours,

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

MDG/dk

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor and Clerk 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 $5,731,700 Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), of the Issuer, dated May 23, 2012 (the "Bonds" or the "Series 2012 A Bonds") on the 23rd day of May, 2012, hereby certifies as follows:

1. 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 meanings set forth in the Bond Ordinance duly enacted by the Issuer on March 27, 2012, as supplemented by Supplemental Resolution duly adopted on May 22, 2012 (collectively, the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 23, 2012, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2012 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Department of Environmental Protection (the "DEP"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2012 A Bonds were sold on May 23, 2012, to the Authority, pursuant to a Loan Agreement dated May 11, 2012 (the "Loan Agreement"), by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $5,731,700 (100% of par), at which time, the Issuer received $487,967 from the Authority and the DEP, being the first advance

of the principal amount of the Series 2012 A Bonds. No accrued interest has been or will be paid on the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2012 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewer portion of the existing public combined waterworks and sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Series 2012 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 on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2012 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Series 2012 A Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before December 1, 2013. The acquisition and construction of the Project is expected to be completed by June 1, 2013.

9. The total cost of the Project, a portion of which is financed from the proceeds of the Series 2012 A Bonds (including all costs of issuance of the Series 2012 A Bonds), is estimated at $6,847,486.50. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2012 A Bonds	$5,731,700.00
Parkersburg Utility Board Contribution	$1,115,786.50
Total Sources	$6,847,486.50
USES	
Costs of Acquisition and Construction of the Project	$6,812,986.50
Costs of Issuance	$34,500.00
Total Uses	$6,847,486.50

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2012 A Bonds:

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

(2) Renewal and Replacement Fund (established by Prior Ordinance);

(3) Series 2012 A Bonds Construction Trust Fund;

(4) Series 2012 A Bonds Sinking Fund; and

(5) Series 2012 A Bonds Reserve Account.

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

(1) Series 2012 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2012 A Bonds Reserve Account.

(2) The balance of the proceeds of the Series 2012 A Bonds will be deposited in the Series 2012 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 2012 A Bonds and related costs.

12. Monies held in the Series 2012 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2012 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 2012 A Bonds Sinking Fund and Series 2012 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2012 A Bonds Construction Trust Funds 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. 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 12 months of the date hereof.

14. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

15. With the exception of the amount deposited in the Series 2012 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 18 months from the date of issuance thereof.

16. 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.

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

18. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

19. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

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

21. The Issuer shall use the 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.

22. The Bonds are not federally guaranteed.

23. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental bonds.

24. The Issuer has either (a) funded the Series 2012 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2012 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2012 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2012 A Bonds Reserve Account and the Series 2012 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

26. 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.

27. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures on day and year first written above.

THE CITY OF PARKERSBURG

By: _____
Its: Mayor

By: _____
Its: Clerk

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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.

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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:

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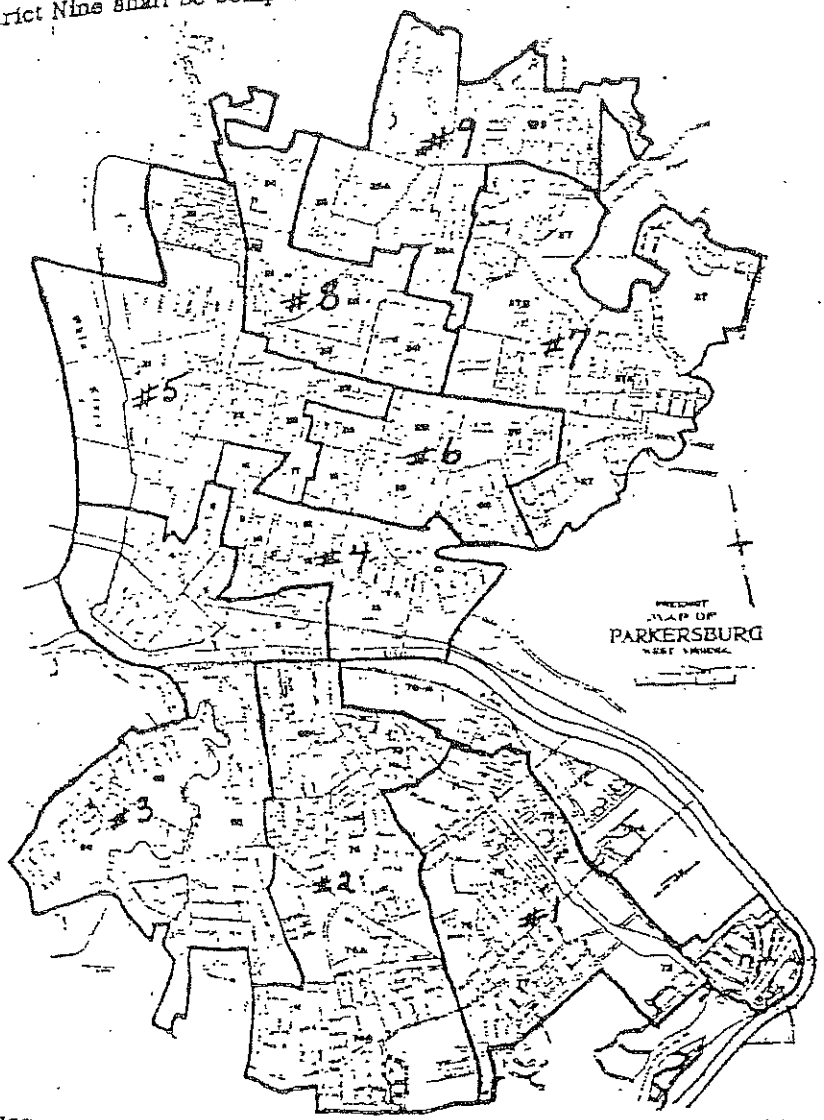
a) District One shall be composed of Precincts numbers 71, 72, 73, 75, 76 and 77.
b) District Two shall be composed of Precincts numbers 69, 70, 74, 74A and 74B.
c) District Three shall be composed of Precincts numbers 1, 4, 5, 6, 8, 65, 66 and 68.
d) District Four shall be composed of Precincts numbers 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.

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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.

3) 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 reading 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 has 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.

2.207

(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 availabl 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 filled 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 Constitution of the State of West Virginia, and that I will faithfully discharge the duties of _____ 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 of the officer administering it, with the City Clerk and shall have given bond as required by law, he shall be considered as having qualified for the position to which he was elected or 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 have had 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.

1.402

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.

1.4 Replacement

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.

16.103

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)

17.102

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,

8.104

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 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.

1994 Replace

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 pertaining 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.

1968 Replacement

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.

T. A

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.

(6) Notwithstanding any Charter provision to the contrary, which Charter provision is 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.

1994 Replacement

(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.

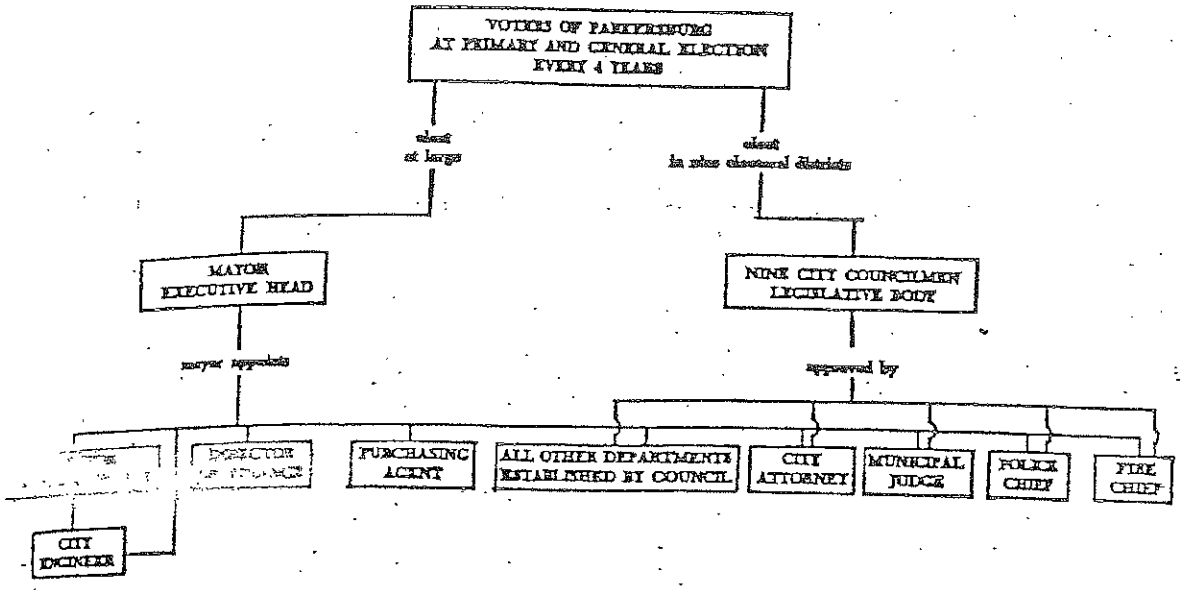
The primary election for the first Mayor and Council under this Charter will be held on Tuesday, July 14, 1970; and the first general election will be held Tuesday, July 28, 1970. The Mayor and Council so elected will take office August 17, 1970, and hold office until their successors are elected and 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 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 Council-member. (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

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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.

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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.
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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

I, Robert D. Newell, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of Mayor of the City of Parkersburg to the best of my skill and judgment.

Robert D Newell

Sworn to and subscribed before me this 6th day of January, 2009.

J.W. Bane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, Nancy Wilcox, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilwoman for the City of Parkersburg to the best of my skill and judgment.

Nancy Wilcox

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, Sharon Lynch, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilwoman for the City of Parkersburg to the best of my skill and judgment.

Sharon Lynch

Sharon Lynch

Sworn to and subscribed before me this 6th day of January, 2009.

J. D. Beane

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, David Bradley Kimes, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilman for the City of Parkersburg to the best of my skill and judgment.

David Bradley Kimes

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, John R. Sandy, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilman for the City of Parkersburg to the best of my skill and judgment.

John R. Sandy

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, Sharyn T. Tallman, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilwoman for the City of Parkersburg to the best of my skill and judgment.

Sharyn T. Tallman

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, Mike Reynolds, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilman for the City of Parkersburg to the best of my skill and judgment.

Mike Reynolds

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, Tom Joyce, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilman for the City of Parkersburg to the best of my skill and judgment.

Tom Joyce

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, John W. Rockhold III, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilman for the City of Parkersburg to the best of my skill and judgment.

John W. Rockhold III

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

STATE OF WEST VIRGINIA
COUNTY OF WOOD
CITY OF PARKERSBURG

I, W. James Reed, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will faithfully discharge the duties of City Councilman for the City of Parkersburg to the best of my skill and judgment.

W. James Reed

Sworn to and subscribed before me this 6th day of January, 2009.

Wood County Circuit Judge, J. D. Beane

WATER

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2010 MAY 10 AM 8 10
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE 931.01 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG WITH RESPECT TO ADOPTION OF RULES AND REGULATIONS AND INCREASING EXISTING RATES AND CHARGES FOR WATER SERVICE

WHEREAS, in order to protect the public health, safety and welfare, the Council of the City of Parkersburg ("City Council") is aware that it is essential for the Parkersburg Utility Board (the "Utility Board") to have annual revenues available to properly operate and maintain the existing public water distribution and treatment system of the City of Parkersburg (the "System"), in accordance with federal and state laws and regulations; and

WHEREAS, in order for the Utility Board to collect annual revenues necessary to pay the operation an maintenance expenses and the debt service of the System, the Utility Board has recommended that existing rates and charges for water service to the customers of the Utility Board be increased; now, therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG, WEST VIRGINIA:

Section I. 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 SCHEDULE OF WATER RATES

The following schedules of rates, charges and fees are hereby fixed and determined as the Rates, charges and fees to be charged to customers of the System throughout the entire territory served.

(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 billed 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

Each customer shall pay a total Customer Charge of nine dollars ($9.00) per month through and including June 30, 2011. Thereafter, each customer shall pay a total customer charge in the amount and on and after the effective date as follows:

Customer Charge	Effective Date
$10.00	July 1, 2011
$10.50	July 1, 2012

Volume Charge

In addition to the Minimum Customer Charge, each customer shall pay, for all gallons used per month – four dollars and sixty-five cents ($4.65) per 1,000 gallons, based upon the metered amount of water supplied through and including June 30, 2011. Thereafter, each customer shall pay in addition to the minimum customer charge, in the amount and on and after the effective date, a volume charge, based upon the metered amount of water supplied, as follows:

Volume Charge	Effective Date
$5.15	July 1, 2011
$5.44	July 1, 2012

Meter Charge (in addition to Minimum Customer Charge and Volume Charge)

Meter Size (inches)	Charge Per Month
5/8 and 3/4	included in Minimum Customer Charge
1	$7.16
1-1/2	$11.78
2	$17.00
3	$37.63
4	$62.22
6	$121.21

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full by the latest pay date, which shall be no sooner than the twentieth day following the date Utility Board mails the bill, ten percent (10%) shall be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 2

APPLICABILITY

Service provided through use of booster stations

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service

RATES

Minimum Customer Charge

Each customer shall pay a total Customer Charge of nine dollars and forty-four cents ($9.44) per month through and including June 30, 2011. Thereafter, each customer shall pay a total customer charge in the amount and on and after the effective date as follows:

Customer Charge	Effective Date
$10.44	July 1, 2011
$10.94	July 1, 2012

Volume Charge

In addition to the Minimum Customer Charge, each customer shall pay, for all gallons per month - five dollars and nineteen cents ($5.19) per 1,000 gallons, based upon the metered amount of water supplied through and including June 30, 2011. Thereafter, each customer shall pay in addition to the minimum customer charge, in an amount and on and after the effective date, a volume charge, based upon the metered amount of water supplied, as follows:

Volume Charge	Effective Date
$5.69	July 1, 2011
$5.98	July 1, 2012

Meter Charge (in addition to Minimum Customer Charge and Volume Charge)

Meter Size (inches)	Charge Per Month included in Minimum Customer Charge
5/8 and 3/4	$7.16
1	$11.78
1 –1/2	$17.00
2	$37.63
3	$62.22
4	$121.21
6	

DELAYED PENALTY PAYMENT

The above schedule is net. On all current usage billings not paid in full by the latest pay date, which shall be no sooner than the twentieth day following the date Utility Board mails the bill, ten percent (10%) shall be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 3

APPLICABILITY

Service in entire area

AVAILABILITY OF SERVICE

Available for private fire protection water supply

RATES

Hydrants (Service Connection Size in inches)	Charge Per Month (each)
4	$9.43
6	$21.36
8 or larger	$37.68

Sprinkler Systems & Hose Connections (Service Connection Size in Inches)	Charge Per Month (each)
4	$15.05
6	$33.92
8 or larger	$60.22

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full by the latest pay date, which shall be no sooner than the twentieth day following the date Utility Board mails the bill, ten percent (10%) shall be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 4

APPLICABILITY

Applicable in 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 three hundred fifty dollars ($350.00) 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, 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 five dollar ($25.00) charge for re-established service.

Administrative Fee

Whenever the supply of water to any customer is scheduled to be turned off for nonpayment of bill and such customer chooses to make payment in the field, instead of by the proper methods of payment, that customer shall be assessed a twenty-five dollar ($25.00) charge.

Returned Check Fee

A service fee of thirty two dollars ($32.00) shall be charged for each check returned for insufficient funds.

Damaged Meter Fee

Whenever a meter is damaged due to inclement weather and the customer has been negligent in maintaining adequate temperatures to prevent the meter from freezing and the bottom of the meter from bursting the customer shall be assessed a fee of $25.00 for the repair of said meter such fee is to be paid prior to service being restored.

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 determined to be eligible for adjustment in accordance with the Utility Board's Leak Adjustment Policy.

Hydrant Meter Deposit

A deposit of eight hundred dollars ($800.00) shall be charged for each water meter provided to a customer requesting temporary water service from a fire hydrant for construction or other use approved by the Utility Board staff. The deposit shall be refunded without interest to the customer following return of the water meter undamaged and in proper operating condition, and following payment for water consumption as measured by the hydrant meter.

Customer Deposit

All new applicants for residential or other water service may be required to deposit (i) a minimum of fifty dollars ($50.00), or (ii) two-twelfths (2/12) of the annual estimated charge for water service, whichever is greater.

All new applicants for residential or other combined water and sewer service may be required to deposit (i) a minimum of one hundred dollars ($100.00), or (ii) two-twelfths (2/12) of the annual estimated charge for each service, whichever is greater.

Section II. That, in accordance with the requirements of Chapter 8, Article 11, Section 4 of the Code of West Virginia, 1931, as amended, the City of Parkersburg shall cause notice of the proposed adoption of this Ordinance to be published as a Class I-0 legal advertisement, with such publication being made at least five days before the City Council meeting at which this Ordinance is to be finally adopted, and with said notice meeting the other requirements set forth in Code §8-11-4;

Section III. That, in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, the rules and regulations and the rates and charges provided for herein shall be effective not sooner than 45 days from the date of adoption;

and

Section IV. That, in accordance with Public Service Commission's *Rules for the Construction and Filing of Tariffs*, 150 CSR 2 , notice of this Ordinance shall be provided by (a) causing to be published the Commission's Tariff Form No. 12 as a Class II legal advertisement, with the first publication occurring within five days after the adoption of this Ordinance, in a qualified newspaper of general circulation in the area of Parkersburg, and (b) causing to be published a press release that contains the substance of Tariff Form No. 12, in a qualified newspaper of general circulation in the area of Parkersburg, (c) posting a notice that conforms with Tariff Form No. 12 in a conspicuous place at the Utility Board's business premises beginning the day after the City Council meeting at which this Ordinance is adopted and continuing for 30 days, and (d) filing with the Public Service Commission, within 5 days after adoption of this Ordinance, a copy of this Ordinance along with other information as required by Section 22.1.f of the *Tariff Rules*.

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

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

The schedule of rates, charges and fees herein established and fixed shall be effective on all bills rendered on or after June 21, 2010.

SPONSORED BY:

Passed on First Reading: April 13, 2010
Adopted on Second Reading: May 4, 2010

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W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Wade

May 4, 2010

The Council of the City of Parkersburg met in regular session Tuesday, May 4, 2010, at 7:30 PM in th ımbers on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by Council President, John Rockhold III, who presided over the ıncilwoman Sharyn Tallman led the Lord's Prayer and the Pledge of Allegiance, and the Clerk noted the atten ›ws: Members present were Nancy Wilcox, Sharon Lynch, Brad Kimes, John Sandy, Sharyn Tallman, Mike F n Joyce, Jim Reed, and John Rockhold.

MINUTES – Mr. Kimes moved, seconded by Ms. Tallman, to approve the minutes from the meeting held 0, and the meeting held April 20, 2010, and the motion was adopted by unanimous vote.

REPORTS FROM STANDING OR SPECIAL COMMITTEES – Councilman Kimes stated that the nmittee met prior to this meeting to discuss three inner-department money transfers. Councilman Joyce state code review committee met to organize on April 28th. They plan to meet and receive updates and proposals ecommended by administrative departments, and approved by the City Attorney as to form.

MESSAGE FROM THE EXECUTIVE – Mayor Robert Newell introduced the basketball team and co kersburg Catholic High School, who won the 2010 single A championship. He presented a plaque to the tea n that he had watched their very exciting final game.

At this time, the Clerk introduced Mr. Tom Eagle, 1031 Juliana Street, as a nominee for appointment to th hitectural Review Board.

The Clerk then read a communication from Mayor Robert Newell appointing Ms. Judy Peters, 1005 Jackson ıe Parkersburg Housing Authority Board of Commissioners for a term to expire April 24, 2012.

MOTION – Ms. Tallman moved, seconded by Mr. Reynolds, to confirm the nomination, and the motion was ınanimous vote.

PUBLIC FORUM – No one appeared.

RESOLUTION

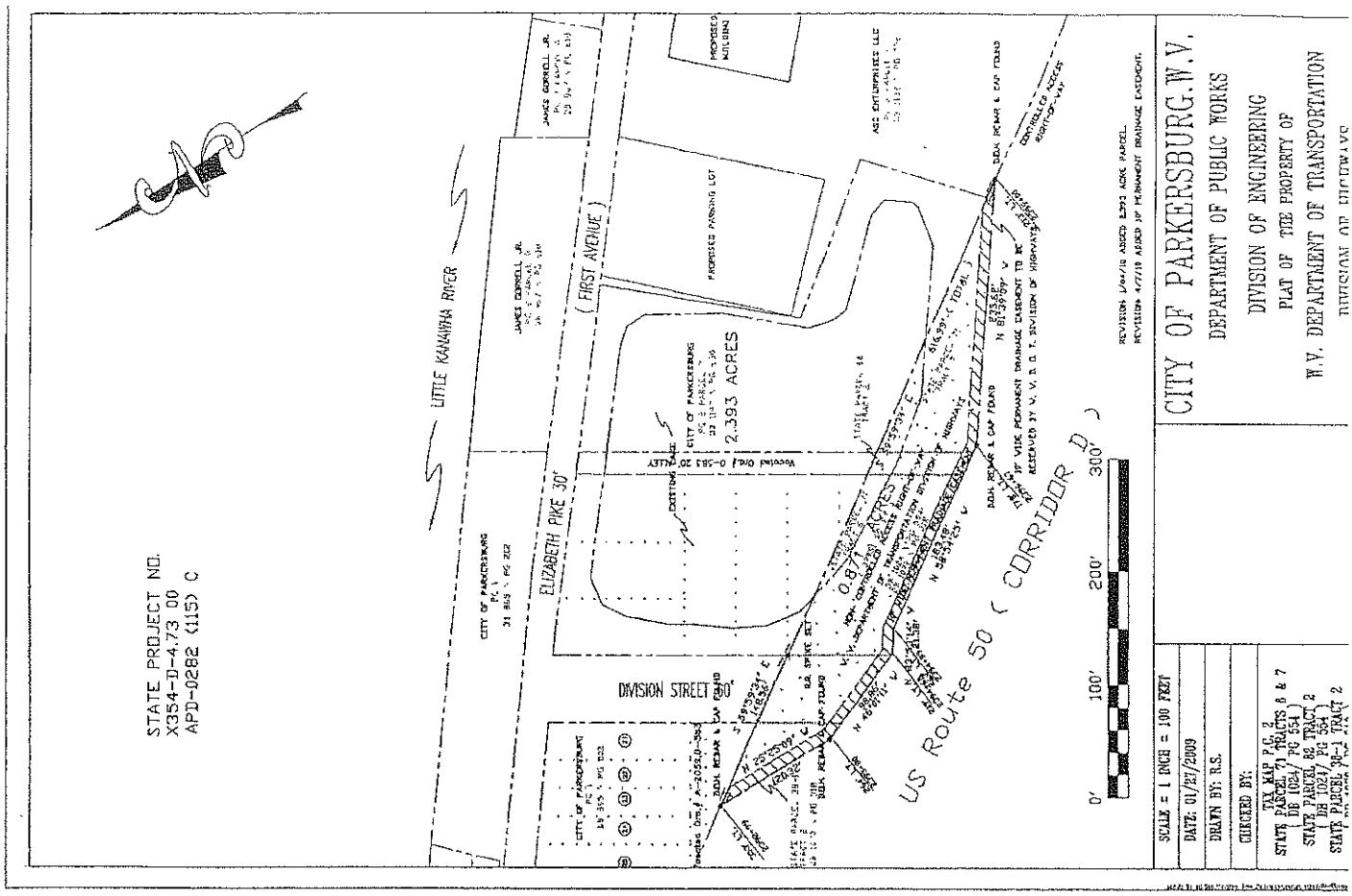
Be It Resolved By the City Council of the City of Parkersburg that Mayor Robert D. Newell is hereby auth ı a contract agreement with the State of West Virginia for a Land and Water Conservation Fund Grant As ard in the total amount of $60,000 with a local share of $30,000 which will be used to construction a pedestria trail system in the Johnson T. Janes Nature Preserve; and

Be It Furthered Resolve that the City of Parkersburg agrees to abide by all rules and regulations pertaini ıd and Water Conservation Fund Program, and to operate and maintain the Park for public use under the requ ıe Land and Water Conservation Fund.

(The matching funds will come from donations that have been set aside for the park)

MOTION - Ms. Tallman moved, seconded by Mr. Sandy, to adopt the resolution, and the motion was ac nimous vote.

May 5, 2010



RESOLUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that the City enter into an agree Wood County Recreation Commission for the operation and management of the miniature golf facility at Pa Park for the 2010 summer season. A copy of the management agreement is attached hereto and made a par

BE IT FURTHER RESOLVED that Mayor Robert D. Newell is authorized to sign said agreement for an on City.

PARKERSBURG CITY PARK FACILITY
MINATURE GOLF OPERATING AGREEMENT

play fees/rates for the operating season; such fees are set by Ordinance of the Parkersburg City Council be changed by Provider.

The City shall be responsible for significant maintenance including but not limited to utility and electrical rep e, attendant station repairs, mowing and landscaping.

Provider shall be responsible for all attendant station interior cleaning and golf course / hole playabili anliness.

The City may, at any time prior to the completion of service by Provider under this Agreement, susp ninate this Agreement with or without cause by giving written notice to Provider.

In Witness Whereof, the parties hereto have caused this Agreement to be executed by their duly authc cers, as of the day any year first written above.

City of Parkersburg

_____

Robert D. Newell, Mayor

Wood County Recreation Commission

_____

By:

Its: _____

MOTION – Ms. Tallman moved, seconded by Mr. Sandy, to adopt the resolution, and the motion was ac nimous vote.

RESOLUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that the City enter into an agree Wood County Sports Association for the operation and management of the miniature golf facility at Southwoo 2010 summer season. A copy of the management agreement is attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that Mayor Robert D. Newell is authorized to sign said agreement for an on City.

This Agreement is made and entered into this _____ day of May, 2010 by and between the City of Pa reinafter City) and the Wood County Sports Association (hereinafter Provider).

Whereas, City desires to engage Provider to manage and operate its miniature golf course at Southwoc ir Hollow, during the 2010 summer season; and

Whereas, Provider desires to perform such services for City in accordance with the terms and conditions he

Now Therefore, in consideration of the mutual promises, covenants and agreements set forth herein, the ties hereto agree as follows:

May 4, 2010

In Witness Whereof, the parties hereto have caused this Agreement to be executed by their duly authc cers, as of the day any year first written above.

City of Parkersburg

Robert D. Newell, Mayor

Wood County Sports Association

By:

Its:

MOTION – Ms. Tallman moved, seconded by Mr. Joyce, to adopt the resolution, and the motion was ac nimous vote.

ORDINANCE, FINAL READING:

AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE 1350.09, ARTICLE 1350.12 ARTICLE 1350.14 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG THAT A 50.09, ARTICLE 1350.12 AND ARTICLE 1350.14 be amended and re-enacted as hereinafter s d that the remaining provisions of Article 1350 not hereby amended or revised is hereby re-enac

TICLE 1350.09: STUDY OF THE CENTRAL BUSINESS DISTRICT

e Parkersburg Downtown Design and Facade Committee may conduct special studies for the assessing the business and architectural importance of buildings or sites in the area, the pres d condition of buildings and land, and the relation of the Central Downtown Business Di rounding areas. The Committee shall maintain an inventory, updated at least annually, of all bi king lots and vacant lots within the district boundaries (Ord. 0-905. Passed 11-24-98). The in all be compiled by members of the Façade Committee and maintained in a database by the P d Zoning Divisions. The Planning and Zoning Divisions shall also maintain a database of all Ce Appropriateness issued by Design and Façade Committee, to ensure projects are in compliar ir approved plans.

TICLE: 1350.12: REVIEW PERIOD

The Downtown Design and Facade Committee shall consider the application for altera BD site within no more than ten (10) days, excluding weekends, after receiving an applicatio iewing the application, the Committee shall act upon it and shall give written notice of its dec applicant within thirty (30) days of the date of the application. If the application is appro mmittee shall issue a Certificate of Appropriateness. The Certificate should be signed by the ch

Upon project completion, the applicant must schedule a final inspection with th ministration. If the project is found not be in compliance with the approved plan(s), or if the a s to schedule a final inspection with the Code Administration before the Certificate of Appropri)ires, the applicant may be subject to a penalty consistent with Article 1350.99.

TICLE 1350.14: COMPLIANCE

persons, corporations, partnerships, owners, lessees, or lessors which own, lease or occ ate and improvements located or constructed upon real estate located within the geog ındaries governed by Section 1350.02, shall comply with the provisions, articles, secti uirements of this article, including compliance with the CDBD appearance standards within th nths of its date of passage into law, subject to the following exceptions: All sections of Article Parkersburg Zoning Ordinance dealing with administrative procedures of any governmental luding the Downtown Design and Facade Committee and including any building or repair app uired to be made to or approved by governmental bodies, including the Downtown Design and mmittee, shall be in effect immediately upon date of passage of this article, that is as of Nover)8 (Ord. 0-905. Passed 11-24-98).

Additionally, a Certificate of Appropriateness shall be valid for a maximum of eight nths. If a project is not completed within the allotted time period due to adverse weather cond enuating circumstances, the applicant may request an extension of said Certificate of Appropri ıp to three (3) months.

lease note that if the text is underlined, it is a proposed addition to the existing Ordinance. Te:)posed to be removed from the existing Ordinance is stricken out.

MOTION – Mr. Reynolds moved, seconded by Mr. Joyce, to adopt the ordinance on final l the motion was adopted by unanimous vote.

ORDINANCE, FINAL READING

AN ORDINANCE AMENDING CHAPTER ELEVEN,
ARTICLE 181, MUNICIPAL COURT, OF THE
CODIFIED ORDINANCES OF THE
CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Chapter icle 181, Municipal Court, of the Codified Ordinances of the City of Parkersburg be and it is ended by the addition of the following:

May 4, 2010

WHEREAS, in order for the Utility Board to collect annual revenues necessary to pay the operation an mai enses and the debt service of the System, the Utility Board has recommended that existing rates and charges vice to the customers of the Utility Board be increased; now, therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG, WEST VIRGINIA:

Section I. That Article 931.01, entitled "Water Rates", of the Codified Ordinances of The City of Parker ended and re-enacted to read as follows:

931.01 SCHEDULE OF WATER RATES

The following schedules of rates, charges and fees are hereby fixed and determined as the Rates, charges to be charged to customers of the System throughout the entire territory served.

(a) Establishing and Fixing Rates, Charges and delayed Penalty Charges.. The following schedules rges and delayed penalty charges are hereby fixed and determined as the rates, charges and delayed penalty e billed 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

Each customer shall pay a total Customer Charge of nine dollars ($9.00) per month through and including June Thereafter, each customer shall pay a total customer charge in the amount and on and after the effective date as

Customer Charge	Effective Date
$10.00	July 1, 2011
$10.50	July 1, 2012

Volume Charge

In addition to the Minimum Customer Charge, each customer shall pay, for all gallons used per month – four sixty-five cents ($4.65) per 1,000 gallons, based upon the metered amount of water supplied through and incl 30, 2011. Thereafter, each customer shall pay in addition to the minimum customer charge, in the amount and o the effective date, a volume charge, based upon the metered amount of water supplied, as follows:

Volume Charge	Effective Date
$5.15	July 1, 2011
$5.44	July 1, 2012

Meter Charge (in addition to Minimum Customer Charge and Volume Charge)

Meter Size (inches)	Charge Per Month
5/8 and 3/4	included in Minimum Customer Charge
1	$7.16
1-1/2	$11.78
2	$17.00
3	$37.63

Volume Charge	Effective Date
$5.69	July 1, 2011
$5.98	July 1, 2012

Meter Charge (in addition to Minimum Customer Charge and Volume Charge)

Meter Size (inches)	Charge Per Month
5/8 and 3/4	included in Minimum Customer Charge
1	$7.16
1 –1/2	$11.78
2	$17.00
3	$37.63
4	$62.22
6	$121.21

DELAYED PENALTY PAYMENT

The above schedule is net. On all current usage billings not paid in full by the latest pay date, which shall be no soon twentieth day following the date Utility Board mails the bill, ten percent (10%) shall be added to the net current amo This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 3

APPLICABILITY

Service in entire area

AVAILABILITY OF SERVICE

Available for private fire protection water supply

RATES

Hydrants (Service Connection Size in inches)	Charge Per Month (each)
4	$9.43
6	$21.36
8 or larger	$37.68

Sprinkler Systems & Hose Connections (Service Connection Size in Inches)	Charge Per Month (each)
4	$15.05
6	$33.92
8 or larger	$60.22

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full by the latest pay date, which shall be no soon twentieth day following the date Utility Board mails the bill, ten percent (10%) shall be added to the net current amo This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 4

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service

An incremental charge of seventy cents ($0.70) per 1,000 gallons shall be charged for all water billed in exc customer's historic usage for a water leak determined to be eligible for adjustment in accordance with the Uti Leak Adjustment Policy.

Hydrant Meter Deposit

A deposit of eight hundred dollars ($800.00) shall be charged for each water meter provided to a customer temporary water service from a fire hydrant for construction or other use approved by the Utility Board staff. T shall be refunded without interest to the customer following return of the water meter undamaged and in prope condition, and following payment for water consumption as measured by the hydrant meter.

Customer Deposit

All new applicants for residential or other water service may be required to deposit (i) a minimum of fifty dollars ((ii) two-twelfths (2/12) of the annual estimated charge for water service, whichever is greater.

All new applicants for residential or other combined water and sewer service may be required to deposit (i) a r one hundred dollars ($100.00), or (ii) two-twelfths (2/12) of the annual estimated charge for each service, w greater.

Section II. That, in accordance with the requirements of Chapter 8, Article 11, Section 4 of the Code jinia, 1931, as amended, the City of Parkersburg shall cause notice of the proposed adoption of this Ordinar lished as a Class I-0 legal advertisement, with such publication being made at least five days before the City C eting at which this Ordinance is to be finally adopted, and with said notice meeting the other requirements s le §8-11-4;

Section III. That, in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code jinia, 1931, as amended, the rules and regulations and the rates and charges provided for herein shall be effe ner than 45 days from the date of adoption; and

tion IV. That, in accordance with Public Service Commission's *Rules for the Construction and Filing of Ta* R 2 , notice of this Ordinance shall be provided by (a)causing to be published the Commission's Tariff Form Nc ss II legal advertisement, with the first publication occurring within five days after the adoption of this Ordinance lified newspaper of general circulation in the area of Parkersburg, and (b) causing to be published a press rel tains the substance of Tariff Form No. 12, in a qualified newspaper of general circulation in the area of Parker ting a notice that conforms with Tariff Form No. 12 in a conspicuous place at the Utility Board's business inning the day after the City Council meeting at which this Ordinance is adopted and continuing for 30 days g with the Public Service Commission, within 5 days after adoption of this Ordinance, a copy of this Ordinar other information as required by Section 22.1.f of the *Tariff Rules*.

Section V. All prior ordinances, or parts of ordinances, inconsistent with this Ordinance are hereby repea ent of such inconsistency.

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

The schedule of rates, charges and fees herein established and fixed shall be effective on all bills rende r June 21, 2010.

sed on First Reading: _____

nted on Second Reading:

May 4, 2010

MOTION – Mr. Reed moved, seconded by Ms. Tallman, to adopt the ordinance on first reading, and the m
pted by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE AUTHORIZING THE LEASE/PURCHASE FINANCING
OF TURNOUT GEAR FOR THE FIRE DEPARTMENT

MOTION – Mr. Reed moved, seconded by Mr. Joyce, to adopt the ordinance on first reading, and the m
pted by unanimous vote.

The meeting adjourned at 7:50 PM.

Clerk

Council President

The Council of the City of Parkersburg met in regular session Tuesday, April 13, 2010, 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, John Rockhold III, who presided over the meeting. Councilman Jim Reed led the Lord's Prayer and Pledge of Allegiance. The Clerk noted the attendance and those present included Councilmen Nancy Wilcox, Sharon Lynch, Brad Kimes, John Sandy, Sharyn Tallman, Mike Reynolds, Tom Joyce, Jim Reed, and John Rockhold

MINUTES – Ms. Tallman moved, seconded by Mr. Sandy, to approve the minutes from the meeting held March 23, 2010, and the motion was adopted by unanimous vote.

REPORTS FROM STANDING OR SPECIAL COMMITTEES – Councilman Mike Reynolds reported that the Public Works Committee met prior to this Council meeting and received an update on the Fort Boreman area for the proposed National Guard readiness center/convention facility.

Council President Rockhold announced a new Revenue Enhancement Committee as follows: Councilman James Reed, Chairman; Sharon Lynch, Vice Chairman; and members Councilmen Mike Reynolds, Brad Kimes, and Tom Joyce.

MESSAGE FROM THE EXECUTIVE – Mayor Robert Newell introduced Sherry Dugan, #1 Wharton Drive, as a nominee as a member of the Municipal Planning Commission.

Mr. Tom Eagle, 1031 Juliana Street, is expected to attend our meeting on April 20th as a nominee for the Juliana ARB; and Ms. Judy Peters, 1005 Jackson Avenue, is also invited as a nominee for the Housing Authority.

PUBLIC FORUM – Attorney David Huffman, Juliana Street, appeared before Council to object to taxes on wages, and the Business and Occupation tax for businesses. He was also objecting to the ordinance on the agenda this evening increasing water rates, and said residents and businesses would leave Parkersburg.

Ms. Garnet Powell, said she had lived on 40th Street for 60 years, and complained of sanitary sewer problems. She also objected to the water rate increase and did not think the department should get more money without looking within their department for the money, and they should not increase their salaries.

Mr. Robert Postalwaite from 40th Street, said he had been in construction since 1992, and complained that there are workers getting building permits who do not work properly with asbestos. He said he has talked with our code enforcement department, and said that Morgantown has an ordinance that addresses it.

Cheryl Huffman appeared before City Council and said she was a City employee. She asked the Mayor and Council where the $2.00 per week would be spent that the City will collect as a wage tax. Mayor Newell told her there was no wage tax being discussed this evening, but she said it was part of the water increase, and was called a user fee. Mayor Newell assured her there were no taxes for employees in this ordinance.

RESOLUTION

RESOLUTION AUTHORIZING AN APPLICATION FOR ASSISTANCE THROUGH THE EMERGENCY SHELTER GRANTS PROGRAM

WHEREAS, the State of West Virginia, through it's Office of Economic Opportunity, has elected to administer the Emergency Shelter Grants Program as authorized by Part B of Title IV of the Stewart B. McKinney Homeless Assistance Act, as amended, subject to the regulations of the Department of Housing and Urban Development, 24 CFR Part 576, as amended, and subject to the scope of the State's Emergency Shelter Grants Program guidelines;

WHEREAS, the City has identified its Emergency Shelter Grants Program objectives for homeless persons and the activities to be undertaken to meet such needs; and

WHEREAS, the Family Crisis Intervention Center (FCIC) has requested the City's assistance in obtaining an Emergency Shelter Grants Program grant for use by the FCIC in administering and operating its domestic violence shelter; and

WHEREAS, the City wishes to provide the requested assistance to the Family Crisis Intervention Center;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKERSBURG, that Mayor Robert D. Newell be and hereby is authorized to execute a grant request to the West Virginia Office of Economic Opportunity for 2010, a copy of which is attached hereto and made a part hereof, to administer an Emergency Shelter Grant, to be used by the Family Crisis Intervention Center.

MOTION – Mr. Reed moved, seconded by Mr. Joyce, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION

WHEREAS, the City of Parkersburg has been working with the local community and the Downtown Development Task Force to develop plans for a Skateboard Park; and

WHEREAS, the City of Parkersburg has been awarded a 2009 Community Participation grant in the amount of $3,000 for the construction of a concrete Skateboard Park in Ft. Neal Park.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKERSBURG that the City of Parkersburg accepts all the terms and conditions of the contract with the West Virginia Development Office for this grant and authorizes Mayor Robert D. Newell to sign the grant program contract.

MOTION – Ms. Lynch moved, seconded by Mr. Joyce, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION

Be it resolved by the City Council of the City of Parkersburg that the 2010-11 Consolidated One Year Action Plan for the Use of Community Development Block Grant and HOME Investment Partnership Grant funds be approved as follows:

(I)	Improvements to Community Infrastructure	
	a) Fire Department Tower Truck Lease /Purchase	$ 75,000
	b) Fire Pumper Truck Lease/Purchase	$ 70,000
	c) Section 108 Loan Repayment	$185,000
	d) 14th Avenue Road Reconstruction	$265,000
	e) Demolition	$ 60,000
	f) Downtown Façade Program	$ 13,000
	g) ADA Handicapped Ramps	$ 75,000
	h) Juleps Playground	$ 10,000
(II)	Enhancement of Public Services	
	a) COPE Police Program	$ 70,000
	b) Code Enforcement Officer	$ 48,000
	c) Smoke/CO Detector Program	$ 5,000
	d) Wood County Recreation	$ 10,000
	e) EBT Project	$ 12,000
(III)	Housing Programs	
	a) Owner – Occupied Housing Rehabilitation	$125,000 (HOME)
	b) New Construction	$170,000 (HOME)
	c) SHOP First-time Homebuyers Program	$177,680 (HOME)
	d) Housing Program	$ 54,590 (CDBG)
(IV)	Planning and Administration	
	a) General Administration (CDBG)	$235,612
	b) General Administration (HOME)	$ 49,000

MOTION – Mr. Reed moved, seconded by Ms. Wilcox, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that $10,000.00 be expended out of the Capital Reserve Fund to be used to install an extension of a sanitary sewer line in the vicinity of 8th Avenue and Kemper Streets.

Sewer Extension Letter Agreement

Date:_____

This document is to serve as a written agreement between the City of Parkersburg, hereinafter referred to as "City", and the Parkersburg Utility Board, hereinafter referred to as "Board". This agreement is necessary for extension of the public sewer system to serve property adjacent to Kemper Street and Rt. 95. The Dollar General store site along with additional properties adjacent to Kemper St. would be served by this extension.

The sewer extension to be constructed consists of 280 feet of 6 inch sewer line, one manhole, one service connection and one cleanout. The sewer line to be constructed will connect to an existing manhole located in the right of way of an unimproved alley between Rt. 95 and 8th Avenue, and said lines will run as shown on the plans prepared by the Board.

This sewer extension is being funded as a cooperative venture between the City and the Board, with the Board doing the construction of the sewer extension and the reimbursement to the City for any connections made to said extension as defined in Rule 5.5.f of the West Virginia Public Service Commission Rules and Regulations for the Government of Sewer Utilities, and the City assuming responsibility for the cost of construction per the resolution adopted by the City and attached to this agreement as Exhibit A. The City's share of construction cost shall be reimbursed to the Board in one lump sum payment. That payment shall not exceed $10,000.00 and shall be made to the Board no later than May 31, 2010.

The City and the Board hereby agree that the City is entitled to rebates related to any future sewer service connections made directly to this 280 foot sewer extension. For each bona fide new customer who, within a period of ten

(10) years from the date of this agreement, makes a service connection to this sewer extension, the City is entitled to a rebate amount equal to the estimated total net revenue of the new customer as follows:

A. Net revenue shall be gross revenue minus the excess usage leak adjustment rate approved for the utility, with the difference reduced for any revenue based taxes.
B. Revenue shall be based upon 4,500 gallons per month per residential unit, unless circumstances of the applicant show this would result in significant error. For non-residential units, the annual revenue shall be based upon the actual water consumption of the customer to which sewer service charges apply.
C. Estimated total net revenue will be calculated as five (5) times estimated net annual revenue from the new sewer customer.

The Board reserves the right to further extend main sewer lines from the sewer extension described herein without approval or authorization of the City. The City is not entitled to rebates for service connections to such additional sewer extensions, unless the City is a participating party to the further sewer extensions and entitled to rebates under the terms of an extension agreement for said further extensions.

WITNESS the following signatures, this the _____ day of _____, 2010.

_____
Robert Newell, Mayor
City of Parkersburg

_____
Eric Bennett, Manager
Parkersburg Utility Board

MOTION – Mr. Reynolds moved, seconded by Mr. Joyce, to adopt the resolution, and the motion was adopted by unanimous vote.

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 2009/2010 prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists:

Expenditures

Fund	Dept	Account	Description	Decrease	Increase
001	421	230-000	Contractual Service		$5,000

Revenues

Fund	Account	Description	Increase	Decrease
001	368-000-000	Contributions from Other Entities	$5,000	

Expenditures

Fund	Dept	Account	Description	Decrease	Increase
001	409	230-002	Contractual Services		$25,000

Revenues

Fund	Account	Description	Increase	Decrease
001	399-409-000	Misc. Revenue	$15,000	
001	369-000-000	Trans from Other Fund	$10,000	

Expenditures

Fund	Dept	Account	Description	Increase	Decrease
001	440	459-000	Capital Projects	$18,706	

Revenues

Fund	Account	Description	Decrease	Increase
001	299-00	Fund Balance		$18,706

Expenditures

Fund	Account	Description	Decrease	Increase
01	415-212	Outside printing		$500.00

Revenue

Fund	Account	Description	Decrease	Increase
01	421-220	legal ads	$500.00	

Expenditures

Fund	Dept	Acct	Dept	Description	Increase	Decrease
001	409	214-000	Mayor	Travel		2,500.00
001	409	221-000	Mayor	Training		3,000.00
001	410		Council	Travel		1,000.00
001	410		Council	Training		2,000.00
001	414		Finance	Travel		500.00
001	414		Finance	Training		1,000.00
001	415		Clerk	Travel		1,000.00
001	415		Clerk	Training		250.00
001	707	568		Humane Society	16,487.90	
				Totals	$ 16,487.90	$ 11,250.00

Revenues

Fund		Acct		Description	Decrease	Increase
001	369	000-000	Transfer	Capital Reserve		5,237.90
				Totals	$ -	$ 5,237.90
				Grand Totals	$ 16,487.90	$ 16,487.90

MOTION – Mr. Reed moved, seconded by Ms. Wilcox, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION OF THE COUNCIL OF THE CITY OF PARKERSBURG, WEST VIRGINIA, AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, WITH REGARD TO ESTABLISHMENT AND MAINTENANCE OF A TRAFFIC SIGNAL SYSTEM WITHIN THE MUNICIPAL LIMITS OF THE CITY OF PARKERSBURG, WEST VIRGINIA

BE IT RESOLVED BY THE CITY OF PARKERSBURG, WOOD COUNTY, WEST VIRGINIA, AS FOLLOWS:

1. That the Mayor of the City of Parkersburg, West Virginia, a municipal corporation, be and is duly and legally authorized to execute, to have acknowledged and to have delivered on behalf of said City an agreement a copy of which is attached hereto and made a part hereof, with the West Virginia Department of Transportation, Division of Highways, with regard to establishment and maintenance of two traffic signal systems within the corporate limits of said City; and

2. That the City Clerk or Recorder do properly attest the signature of said official and affix the seal of the City to said agreement.

On motion made by _____ and seconded by _____, the City Council of Parkersburg, West Virginia does hereby approve and authorize the adoption of said resolution.

THIS AGREEMENT, made this __ day of _____, 2010, by and between the WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, a corporation, hereinafter referred to as "Department"; and the CITY OF PARKERSBURG, a municipal corporation, hereinafter referred to as "City".

THA T WHEREAS, Department and City mutually agree with respect to the installation of a computerized traffic signal system for the intersections of:

I. Pike Street (WV 14) at Gihon Road and Rayon Drive

2. Blizzard Drive! Pike Street (WV 14) at Broadway Avenue and 21st Street

WHEREAS, by resolution bearing date of day of _____, 20 __, the Council of the City of Parkersburg has authorized and directed proper authorities to execute, acknowledge and deliver an agreement on behalf of said City, setting out terms and conditions thereof, a copy of which resolution is affixed to this agreement and made a part hereof, and

WHEREAS, Department and City are desirous of cooperating in adoption of said rules, regulations, stipulations and obligations with regard to the future maintenance and operation of said traffic signal system.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that for and in consideration of the mutual covenants herein entered into and mutual benefits to be derived by parties hereto, said Department and City do hereby agree that the following will be the duties and responsibilities of Department and City, respectively:

Duties and Responsibilities of the Department

THE DEPARTMENT AGREES:

1. To prepare plans and specifications necessary for the construction of the proposed traffic signal systems.
2. To let a contract for construction of the proposed traffic signal systems.
3. To pay one hundred percent (100%) of the total cost of the installation of the traffic signal systems.
4. To pay one hundred percent (100%) of the total cost for installation of the on-street master computer and signal interconnecting system.
5. To pay for the cost for contract inspection and administration by its own forces.
6. To provide a fire priority control system and receivers at selected signalized approaches based upon agreed fire routes.
7. To program all intersection controllers and the on-street master computer.
8. To pay for the installation of a telephone connection to the on-street master computer and pay the continuing service cost.

Duties and Responsibilities of the City:

THE CITY AGREES:

1. To perform properly all maintenance of the traffic signal systems, on-street master computer and interconnecting system, priority control system and highway lighting.
2. To pay for continuing power costs of the traffic signal and highway lighting systems.
3. Not to alter in any way and not to remove any part of the traffic signal system without prior approval by the Department.
4. To permit placing on City property of any pole, signal and sign support or any other appurtenance necessary for the completion of the project.
5. To reimburse the Department for any maintenance work or repair work that must be done by the Department when work is beyond capabilities of the City.
6. To enact appropriate legislation and/or regulations necessary to accomplish the purposes of this agreement and to enforce such legislation and/or regulations.
7. To provide transmitters for a fire priority control system on emergency vehicles selected for access to said system.

It is further understood and agreed between the parties hereto that the traffic signal, and all appurtenances thereto, including but not limited to equipment, are and shall remain the property of the Department.

MOTION – Mr. Reynolds moved, seconded by Mr. Reed, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that meetings for Parkersburg City Council for April and May, 2010, shall be as follows:

April 13th, 2010 and April 20th, 2010;
May 4th, 2010 and May 25, 2010.

MOTION – Mr. Reed moved, seconded by Ms. Tallman, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that the City of Parkersburg enter into an agreement with the Marietta Family YMCA for management of the Parkersburg City Pools and waterslide for the year 2010 a copy of which Management Agreement is attached hereto and made a part hereof.

IS IT FURTHER RESOLVED that Mayor Robert D. Newell is authorized to enter into said agreement with the Marietta Family YMCA.

April 13, 2010

THIS AGREEMENT is made and entered into effective this _day of _____ 2010 by and between the City of Parkersburg, West Virginia (hereinafter "City"), NO.1 Government Square, Parkersburg, West Virginia, 26101 and The Marietta Family YMCA (hereinafter "Contractor"), 300 Seventh Street, Marietta, Ohio 45750.

WHEREAS, City desires to engage Contractor to manage its Pools and Waterslide during the 2010 pool season; and,

WHEREAS, Contractor desires to perform such services for City in accordance with the terms and conditions prescribed by City;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I: NATURE OF CONTRACT

1.1 Contractor shall be employed as an independent contractor to fulfill the terms of this Agreement. It is specifically understood that the nature of the services to be rendered under the Agreement are of such a personal nature that City is the sole judge of the adequacy of such services. City thus reserves the right to cancel this Agreement should City at any time be dissatisfied with Contractor's performance of its duties under this Agreement.

1.2 City enters into this Agreement in reliance upon Contractor's representations that it has the necessary expertise and experience to perform its obligations hereunder, and Contractor warrants that it does possess the necessary expertise and experience.

1.3 Contractor shall perform services and City shall not hire, supervise, or pay any assistants to Contractor in its performance under this Agreement. City shall not be required to provide any training to Contractor to enable it to perform services required hereunder.

1.4 In the event of a cancellation of the Agreement by City, Contractor shall be reimbursed in accordance with Article VI., Termination of Contractor's Services.

1.5 City may, from time to time, communicate specific requests to Contractor concerning the performance of the work described in this Agreement. Upon such notice and as soon thereafter as is practicable, Contractor and the City shall discuss the request and fulfill such requests to the City's and Contractor's satisfaction. It is expressly understood by the parties that these instructions and requests are for the sole purpose of performing the specific tasks requested to ensure satisfactory completion of the work described in this Agreement. The management of the work, including the exclusive right to control or direct the manner or means by which the work is performed, remains with the Contractor. City retains the right to ensure the Contractor's work is in conformity with the terms and conditions of the Agreement. It is fully understood and agreed that Contractor is an independent contractor and neither Contractor nor its personnel shall at any time, or for any purpose, be considered as agents, servants, or employees of the City.

ARTICLE II: SCOPE OF SERVICES

2.1 Contractor shall perform the services more fully described in Exhibit A, The Marietta Family YMCA Proposal for Management consisting of nine (9) pages, attached hereto and in accordance with the terms of the City's Request for Proposals, a copy of which is attached hereto as Exhibit B. In the event of a conflict between the two, solely as respects the Contractor's performance of services, the terms of the Request for Proposals shall govern.

2.2 City shall pay Contractor for said services in accordance with Article IV hereof.

ARTICLE III: TIME OF PERFORMANCE

3.1 The services as stated in Article II, Scope of services, shall be commenced on May 3, 2010 and concluded on or before September 15, 2010.

3.2 This Agreement shall remain in effect until the; work described in Article II, Scope of Services, is completed to the satisfaction of City and until Contractor is paid in accordance with Article IV, Compensation, or until terminated as provided in Article VI, Termination of Contractor's Services, whichever is sooner. This Agreement shall be completed no later than the 15th day of September,-201 0.·

ARTICLE IV: COMPENSATION

4.1 City shall pay Contractor for services rendered a maximum total amount of $262,908.77 and as more fully set forth and shown in Exhibit A.

4.2 Contractor shall not be reimbursed for its labor costs for any period when the facility or facilities are closed. It is understood that in may be necessary to maintain some staff for extra cleaning upon such closure and which labor costs are reimbursable.

4.3 Contractor shall submit biweekly invoices for the compensation incurred consistent with Exhibit A, and each invoice shall contain a description of the services performed and time expended, when applicable. Upon receipt and approval of the invoices by City, vouchers for payment shall be processed. Contractor shall not be reimbursed for its labor costs for any period when facility is closed.

4.4 Swim lessons will be conducted and fees maintained by the Contractor 8:00 a.m. to 11 :30 a.m. daily. All other revenues (admissions, concessions, pass fees, etc.) will be deposited in the City's account on no less than a daily basis.

4.5 Contractor's use of the facilities for swim lessons is on a non-exclusive basis. Contractor knows and understands that the City may and does allow swim teams and others to utilize the facilities during the hours of 8:00 a.m. to 11 :30 a.m. daily.

4.6 Contractor further understands and agrees that the City provides for private rentals of the pools and waterslide and further agrees to provide management and staffing of lifeguards for any and all such rentals, and in accordance with all of the terms and conditions of this Agreement. The City is responsible for and agrees to pay Contractor for all necessary additional personnel costs associated with said rentals and consistent with and as such costs are set forth in Exhibit A attached. Contractor shall be consulted prior to the scheduling of any private rentals.

ARTICLE V: TERMINATION OF CONTRACTOR'S SERVICES

5.1 City may, at any time prior to the completion of services by Contractor under this Agreement, suspend or terminate this Agreement with or without cause by giving written notice to Contractor.

5.2 Contractor, upon receipt of notice of suspension or termination, shall cease work on the suspended or terminated activities under this Agreement, suspend or terminate all subcontracts relating to the suspended or terminated activities, take all necessary or appropriate steps to limit disbursements and minimize costs, and, if requested by City, furnish a report, as of the date of receipt of notice of suspension or termination, describing the status of all work under this Agreement, including, without limitation, results, conclusions resulting therefrom, and any other matters City requires.

5.3 Contractor shall be paid for services rendered up to the date Contractor received notice of suspension or termination, less any payments previously made, provided Contractor has supported such payments with detailed factual data containing services performed and time expended, when applicable. In the event of suspension or termination, any payments made by City for which Contractor has not rendered services shall be refunded.

5.4 In the event this Agreement is terminated prior to its completion, Contractor, upon payment as specified, shall deliver to City all work products and documents which have been prepared by Contractor in the course of providing services under this Agreement. All such materials shall become and remains the property of City, to be used in such manner and for such purpose as City may choose.

5.5 Contractor agrees to waive any right to, and shall make no claim to, additional compensation against City by reason of such suspension or termination.

ARTICLE VI: RELATIONSHIP OF PARTIES

6.1 City and Contractor agree that, during the term of this Agreement, Contractor shall be engaged by City solely on an independent contractor basis, and Contractor shall therefore be responsible for all Contractor's business expenses, including, but not limited to, employees' wages and salaries, insurance of every type and description, and all business and personal taxes, including income and Social Security taxes and contributions for Workers' Compensation and Unemployment Compensation coverage, if any.

6.2 Contractor agrees to comply with all applicable federal, state and local laws in the conduct of the work hereunder.

6.3 While Contractor shall be required to render services described hereunder for City during the term of this Agreement, nothing herein shall be construed to imply, by reason of Contractor's engagement hereunder on an independent contractor basis, that City shall have or may exercise any right of control over Contractor with regard to the manner or method of Contractor's performance or services hereunder.

6.4 Except as expressly provided herein, neither party shall have the right to bind or obligate the other party in any manner without the other party's prior written consent.

ARTICLE VII: RECORD KEEPING

7.1 During performance of this Agreement and for a period of three years after its completion, Contractor shall maintain auditable records of all charges pertaining to this Agreement and shall make such records available to City as City may reasonably require.

ARTICLE VIII: RELATED AGEEMENTS

8.1 The work contemplated in this Agreement is to be performed by Contractor, who may subcontract without City's approval for the purchase of articles, supplies, components, or special mechanical services that do not involve the type of work or services descried in Article II, Scope of Services, but which are required for its satisfactory completion. Contractor shall not enter into other subcontracts without prior written approval by City. All work subcontracted shall be at Contractor's expense.

8.2 Contractor shall bind its subcontractors to the terms of this Agreement, so far as applicable to the work of the subcontractor, and shall not agree to any provision which seeks to bind City to terms inconsistent with, or at variance from, this Agreement.

8.3 Contractor shall furnish to City a list of all subcontractors, their addresses, tax identification numbers, and the dollar amount of each subcontract.

ARTICLE IX: CONFLICTS OF INTEREST AND ETHICS COMPLIANCE

9.1 No personnel of Contractor or member of the governing body of any locality or other public official or employee of any such locality in which, or relating to which, the work under this Agreement is being carried out, and who exercise any functions or responsibilities in connection with the review or approval of this Agreement or carrying out of any such work, shall, prior to the completion of said work, voluntarily acquire any

personal interest, direct or indirect, which is incompatible or in conflict with the discharge and fulfillment of his or her functions and responsibilities with respect to the carrying out of said work.

9.2 Any such person who acquires an incompatible or conflicting personal interest, on or after the effective date of this Agreement, or who involuntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to City in writing. Thereafter he or she shall not participate in any action affecting the work under this Agreement, unless City shall determine in its sole discretion that, in the light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

ARTICLE X: NONDISCRIMINATION OF EMPLOYMENT

10.1 Contractor agrees that Contractor, any subcontractor, and any person acting on behalf of Contractor or a subcontractor, shall not discriminate, by reason of race, color, religion, sex, age, national origin, or disability against any citizen of this state in the employment of any person qualified and available to perform the work under this Agreement.

10.2 Contractor further agrees the Contractor, any subcontractor, and any person acting on behalf of Contractor or a subcontractor shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work under this Agreement on account of race, color, religion, sex, age, national origin, or disability.

10.3 Contractor represents that it has written affirmative action program for the employment and effective utilization of economically disadvantaged persons and shall file a description of the affirmative action program and a progress report on its implementation with the personnel office of the City.

ARTICLE XI: LIABILITY

11.1 Contractor agrees to indemnify and to hold City harmless and immune from any and all claims for injury or damages arising from this Agreement which are attributable to Contractor's own actions or omissions or those of its trustees, officers, agents, employees, subcontractors, suppliers, third parties utilized by Contractor, or joint ventures while acting under this Agreement. The City likewise agrees to indemnify and hold Contractor harmless and immune from any and all claims for injury or damages arising from this Agreement which are attributable to City's own actions or omissions or those of its Officers, agents, employees, subcontractors, suppliers, third parties utilized by City, or joint ventures while acting under this Agreement.

11.2 In no event shall City be liable to Contractor for indirect, consequential, incidental, special or punitive damages, or lost profits.

11.3 Contractor shall purchase and maintain liability insurance pursuant to Exhibit B attached hereto and incorporated herein.

ARTICLE XII: COMPLIANCE WITH LAWS

12.1 Contractor, in the execution of duties and obligations under this Agreement, agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances.

ARTICLE XIII: DRUG FREE WORKPLACE

13.1 Contractor agrees to comply withal applicable federal, state and local laws regarding smoke-free and drug-fee work places and shall make a good faith *effort* to ensure that none of its employees or permitted subcontractors engaged in the work being performed hereunder purchase, transfer, use, or possess illegal drugs or alcohol, or abuse prescription drugs in any way.

ARTICLE XIV: ENTIRE AGREEMENTIWAIVER

14.1 This Agreement contains the entire agreement between the parties hereto and shall not be modified, amended or supplemented, or any rights herein waived, unless specifically agreed upon in writing by the parties hereto.

14.2 This Agreement supersedes any and all previous agreements, whether written or oral, between the parties.

14.3 A waiver by any party of any breach or default by the other party under this Agreement shall not constitute a continuing waiver by such party of any subsequent act in breach of or in default hereunder.

ARTICLE XV NOTICES

15 1 All notices, consents, and communications hereunder shall be given in Writing, shall be deemed to be given upon receipt thereof, and shall be sent to the addresses first set forth above.

ARTICLE XVI: HEADINGS

16.1 The headings in this Agreement have been inserted for convenient reference only and shall not be considered in any questions of interpretation or construction of this Agreement.

ARTICLE XVII: SEVERABILITY

17.1 The provisions of this Agreement are severable and independent, and if any such provision shall be determined to be unenforceable in whole or in part, the remaining provisions and any partially enforceable provision shall, to the extent enforceable in any jurisdiction, nevertheless be binding and enforceable.

ARTICLE XVIII: CONTROLLING LAW

18.1 This Agreement and the right of the parties hereunder shall be governed, construed and interpreted in accordance

with the laws of the State of West Virginia and only Wood County, West Virginia Courts shall have jurisdiction over any action or proceeding concerning the Agreement and/or performance there under

ARTICLE IXI SUCCESSORS AND ASSIGNS

191 Neither this Agreement nor any rights, duties, or obligations hereunder may be assigned or transferred in whole or in part by Contractor, without the prior written consent of City.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, as of the day and year first written above

CITY OF PARKERSBURG

Robert D. Newell
Mayor

THE MARIETTA YMCA

Mike Bishman
Assistant
Executive Director

The Marietta Family YMCA is pleased to respond to the request from the Recreation office regarding management of the Parkersburg City Pools. We are delighted to be asked to manage such a community resource as the city pools.

The Marietta Family YMCA understands from the Request for Proposal that the City of Parkersburg is interested in having a qualified service Provider provide management and personnel necessary to protect lives (lifeguards) of patrons, provide concessions to patrons, and control admission to the Parkersburg City Pools. As well as provide a neat, clean, safe, well-functioning environment for our community to pursue aquatic recreational opportunities.

The Marietta Family YMCA has provided outdoor pool management to Belpre, Williamstown, Marietta Aquatic Center, Marietta YMCA, and Beverly Pools over in the past four years. This management including managing their concession stands also. The Marietta YMCA manages our aquatic facility year round teaching swim lessons, lifeguard training, water exercise, pilates, scuba, etc.

The Marietta Family YMCA fully intends to comply with all the laws of the United States, West Virginia, and the City of Parkersburg. There are no court actions pending or threatened against this Provider. The YMCA can be successfully bonded. To further understand the obligations of each of the parties and minimize any confusion, the Marietta Family YMCA understands that:

The City agrees to pay all utilities (water, gas, electric, trash, lawn care), cleaning supplies, and related equipment. The City will maintain the Aquatic Facilities and physical plant in a safe and fully operational condition during the term of this agreement If and when the Provider (Marietta Family YMCA) requires facility maintenance, systems maintenance, repair, or replacement, the Provider shall call the contact that the City has provided. In the case of a facilities or systems failure emergency, the Provider requires response from the City within 30 minutes during the pool's operating hours or two hours when the pool is closed to the public An emergency is defined when a hazard exists with potential for injury; corrective action is required to minimize the damage to facilities, equipment, or property; loss of critical pool, electrical, mechanical, water, or sanitary service; a hazard to the health of personnel exists. If the City does not respond as specified, the Provider shall contact a City approved list of service providers to arrest the emergency and restore service at the full expense of the City. The City shall provide operations and maintenance manuals on-site for all systems and provide two days of on-site training on all systems.

The City shall provide a pre-operational check of the facility and systems to the Provider to identify required maintenance and repair by the City not less than 45 days before opening.

During this check, the City shall provide labor to allow the Provider to reasonably inspect pump impellers, filter media, chlorination equipment, snack bar equipment, life safety systems, all lighting, and general facilities inspection to determine the general condition. Swim lessons will be conducted and fees maintained by the Provider 8 am to 1130 am daily All other revenues (admissions, concessions, pass fees) will be deposited in the City's account 011 a daily basis (or more frequently depending on the quantity of collections).

GRAND TOTAL COST
for all personnel (hiring, in-service training, professionalism training, corrective action as needed), insurance requirements, administration of payroll FICA requirements for 85 days of public operation(May 28, 2010 - September 6, 2010) and 135 contract days from May 3,2010 to September 15,2010. $262,908.77

Performance Bond $3,500 additionally if required

INSURANCE COVERAGE	LIMITS
Comprehensive General Liabilities	$1,000,000 CSL Bodily Injury and Property Damage
Automobile Liability/Bodily Injury	$1,000,000 CSL Bodily Injury and Property Damage
Excess/Umbrella	$2,000,000
Worker's Comp	Statutory
Employer Liability	$1,000,000
Bonding included under our policy	

Section 3
Background

Name of Company:	Marietta Family YMCA
Address	300 7th Street
City	Marietta, Ohio 45750

April 13, 2010

Telephone	740-373-2250 Fax 740-373-0512
Email	mbushman@mariettaymca.org
Representative name:	Mike Bishman, Assistant Executive Authorized to answer questions regarding this proposal

Section 4
Ownership Information

Company Ownership:	By membership in the organization Operated by a Board of volunteers from the community A non-profit charitable 501-c-3 organization
Established:	1902 in Marietta 1851 in the United States 1844 in London, England
Former Names:	YMCA of Marietta Currently The Marietta Family YMCA

State of Incorporation (Organization): Ohio

Section 5 Operations Plan

The Marietta Family YMCA as part of the start-up procedures will clean deck chairs, balance water chemistry (i.e., chlorine levels, pH, alkalinity), checking inventory of first aid, CPR, life guard supplies (straps on rescue tubes, shepherds hook, ring buoys), AED operation/pad conditions, and scrub all bathhouse floors/walls/toilet facilities. On a daily basis, cleaning on the bathhouse and pool will continue at the beginning and end of everyday or as needed during high traffic days.
Patrons will be instructed in proper use of the aquatic equipment Patron behavior and staff conduct will be monitored and guided by rules. policies, schedules, and written procedures relevant to the facility *(Personnel Policy, Performance Management Reports, and Incident Reports* are included). The *Performance _Management Reports* will assist in our procedures to resolve complaints concerning conduct of our employees by patrons. All staff positions will be advertised for in the Parkersburg News and Sentinel, Marietta Times, Marietta Register, and word of mouth. Job descriptions will be provided for all positions. All qualified and certificated applicants will be interviewed. All lifeguard applicants must pass a 500 yard swim test Concession attendants and front desk employees will be given a math skills test Two in-service training days will be performed prior to the first day of operation

The staff at the Parkersburg City Pools will be guided by the Marietta Family YMCA's highly trained Assistant Executive Director with 13 years of experience; Mike Bishman is a:

-Certified Pool Operator
-Certified YMCA Aquatic Facility Manager
-Certified Lifeguard
-Certified Lifeguard Instructor
-Certified Lifeguard Instructor Trainer
-Certified Swim Lesson Instructor
-Certified Swim Lesson Instructor Trainer
-Certified Professional CPR
-Certified in Oxygen administration
-Certified in first aid
-Certified in AED essentials
Registration, concessions, and admissions will be streamlined to optimize efficiency and minimize delays.
The Provider will communicate with the Recreation Director to discuss weather conditions and the opening or closing of the pool for days in question.
Since swimming is one of those activities that you can do throughout your life, our desire is to make this a truly rewarding experience for all individuals and we will take every measure possible to create this environment Communication between the Marietta Family YMCA and the City of Parkersburg is essential to make this happen

NOTE – references, 2010 proposals for the City Park pool, waterslide, and Southwood pool included, as well as RFP. See agreement in file.

MOTION – Mr. Sandy moved, seconded by Ms. Wilcox, to adopt the resolution, and the motion was adopted by majority vote with all members voting "yes" with the exception of Ms. Tallman, who voted "no".

MOTION – Mr. Kimes moved, seconded by Mr. Reed, to suspend Council's rules to allow a resolution to be added to the agenda this evening, and the motion was adopted by unanimous vote.

RESOLUTION

Whereas, on Monday, April 5. 2010, tragedy in form of a devastating mine' explosion at the Upper Big Branch mine rocked the communities in and about the Big Coal River Valley and in particular the families and friends of our 29 fallen miners; Whereas over the ensuing days as we watched, hoped and prayed for a miracle, we were struck by the strength and grace of these families, their friends and neighbors; Whereas, the depth of their character, their caring and kind ways and their deep and enduring faith in God shown clearly and brightly, not only to all Americans, but to the entire world, as a true example of what it is to be a Mountaineer;

Whereas, these dear fellow West Virginians were and are a testament to all of what it means to be a Mountaineer; and

Whereas, their actions and example during this horrible tragedy reminds each of us of why we are and remain proud to declare we are Mountaineers no matter how far we may travel from our beautiful Mountain State.

WHEREFORE, the Council of the City of Parkersburg hereby declares its and the City's support for and condolences to these 29 families, their friends and neighbors and its abiding thanks to each of them for their sacrifice and in honor of their departed loved ones who courageously and fearlessly toiled and died within and under our beautiful mountains so that this country can and always will be the land of the free and the home of the brave.

MOTION – Mr. Kimes moved, seconded by Mr. Sandy, to adopt the resolution, and the motion was adopted by unanimous vote.

A copy of this resolution and a letter of sorrow and condolence will be mailed to each of the 29 families.

ORDINANCE, FINAL READING:

AN ORDINANCE ESTABLISHING RATES FOR THE
CITY OF PARKERSBURG SWIMMING POOLS, WATERSLIDE,
MINIATURE GOLF COURSE AND PAVILION.

THE COUNCIL OF THE CITY OF PARKERSBURG HEREBY ORDAINS that effective upon the adoption of this Ordinance, the rates to be charged for the use of the swimming pools, waterslide, miniature golf course and pavilion of the City of Parkersburg shall be as follows:

	EXISTING/CURRENT	PROPOSED	
POOLS:			
Individual Daily (Ages 4-12)	$ 1.75	$ 3.50	
Individual Daily (Ages 13- and up)	$ 2.50	$ 4.00	
Schools to pool	----------	$ 10.00	
Individual Pool/Golf Pass	$ 30.00	$ 35.00	
Individual Pool/Slide Pass	$ 40.00	$ 45.00	
Family Pool/Golf Pass	$100.00	$ 115.00	
Family Pool/Slide Pass	$125.00	$ 135.00	
Private rental (1 Hour)	$ 50.00	$ 60.00	
Private rental (2 Hour)	$110.00	$ 120.00	
Private rental (3 Hour)	$140.00	$ 160.00	
Private rental (4 Hour)	$ 185.00	$ 200.00	
WATERSLIDE:			
Single Slide	$ .50	$ 1.00	
Five Slides	$ 2.00	$ 3.00	
Group Rental (15-25 People/2 Hours)	$ 50.00	$ 90.00	(during regular hours)
Private rental (1 hour)	$ 40.00	$ 50.00	
Private rental (2 hour)	$ 80.00	$ 100.00	
Private rental (3 hour)	$185.00	$ 200.00	
MINIATURE GOLF COURSE:			
Individual (Ages 0-12)	$ 1.00	No change	
Individual (Ages 13 and up)	$ 1.50	No change	
Group Rental (15-25 People/18 Holes)			
1 Round	$ 20.00	No change	
2 Rounds	(None)	No change	
3 Rounds	(None)	No change	

All rates include tax. Private rentals include the cost of lifeguards, managers, utilities, and taxes.

	EXISTING/CURRENT	PROPOSED
PAVILION:		
Non-Commercial	$ 10.00 Hour	$ 20.00 Hour
(prior to 6:00 pm)		
(after 6:00 pm)	$ 12.50 Hour	$ 25.00 Hour
All day rate	$ 100.00	$ 150.00
Commercial	$ 15.00 Hour	$ 25.00 Hour
(prior to 6:00 pm) $		
(after 6:00 pm)	$ 18.00 Hour	$ 30.00 Hour
All day rate	$ 150.00	$ 200.00
SHELTERS:		
Large (City Park)	$ 50.00/Day	No Change

One Half Shelter	$ 25.00/Day	No Change

All rates to the contrary heretofore established by Ordinance are hereby amended to read as above set forth.

MOTION – Mr. Reed moved, seconded by Mr. Joyce, to adopt the ordinance on final reading.

PUBLIC HEARING – No one appeared during the public hearing.

MOTION TO AMEND – Ms. Tallman moved, seconded by Mr. Kimes, to eliminate the $10.00 fee for the schools to pools.

Ms. Tallman was asking to use previous funds in the CDBG budget, but Ms. Conageski said that CD only pays for the administrative part. We received money from other foundations for that purpose.

Mayor Newell said he did not want the City to pay ourselves with the federal money, and he thinks that is a problem. We found that we were giving passes to people who had paid previously, and he does not think $10.00 is unreasonable, and he does not want them to supplant that money into the general fund.

Mr. Kimes said that was not their intent, but he felt it was the right thing to remove the $10.00 fee during this economic time.

Mr. Joyce asked how many children would be involved, and Ms. Conageski estimated about 75-80 kids on a daily basis, which is approximately $20,000.00. But, we don't know exactly how many passes were used. Mayor Newell added that the information is confidential with the Board of Education, and the children are protected by law. If they come in with a photo, that will help, he said.

When Ms. Lynch asked how much the pool fund decreased with the schools to pools program, and Mr. Newberry estimated there was about a 30% decrease in sales. Because of confidentiality, we could not track them as well as the ones with a regular pass. The cards were for elementary children and the program was designed to be a three-year pilot program to get kids out of the house and into our parks, but not necessarily free. So, we decided to look at the $10.00 fee. There were discipline problems, but the program worked better than he thought it would.

VOTE - The amendment was adopted by majority vote with all members voting "yes" with the exception of Ms. Lynch, who voted "no".

City Attorney, Joe Santer, offered language for the following amendment to be sure the rentals at the pools will pay the labor costs:

MOTION TO AMEND - Mr. Kimes moved, seconded by Mr. Sandy, to amend the ordinance to change the hourly rates for the pools and waterslide by deleting the one, two, three or four hour rental, and inserting under pools: Private rental, current rate $50.00, and amend to $80.00 per hour; or $100.00 per hour including concession stand; and to further amend the ordinance under waterslide: Private rental by deleting the one, two and three hour rental, and inserting $90.00 under group rental (instead of $75.00); and making private rental $60.00 per hour, or $80.00 per hour including concession stand.

The amendment was adopted by majority vote with all members voting "yes" with the exception of Ms. Lynch and Ms. Tallman, who voted "no".

The motion, as amended, was adopted by majority vote with all members voting "yes" with the exception of Ms. Lynch, who voted "no".

ORDINANCE, FIRST READING:

AN ORDINANCE AMENDING AND RE-ENACTING
ARTICLE 339 OF THE CODIFIED ORDINANCES
OF THE CITY OF PARKERSBURG BY ADDING THERETO
ARTICLE 339.12, ENGINE COMPRESSION BRAKES

MOTION – Ms. Tallman moved, seconded by Mr. Joyce, to adopt the ordinance on first reading, and the motion was adopted by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE AMENDING CHAPTER ELEVEN, ARTICLE 181
MUNICIPAL COURT, OF THE CODIFIED ORDINANCES
OF THE CITY OF PARKERSBURG

MOTION – Mr. Sandy moved, seconded by Ms. Wilcox, to adopt the ordinance on first reading, and the motion was adopted by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE AMENDING AND RE-ENACTING
ARTICLE 931.01 OF THE CODIFIED ORDINANCES OF THE
CITY OF PARKERSBURG WITH RESPECT TO ADOPTION OF
RULES AND REGULATIONS AND INCREASING EXISTING
RATES AND CHARGES FOR WATER SERVICE

MOTION – Mr. Reed moved, seconded by Mr. Joyce, to adopt the ordinance on first reading.

Councilman Joyce stated that no one likes to see fees raised, but he has looked at the information for 18 months and feels this problem will only get worse. There is funding available now that we are not eligible for because of our rate structure, he said. There are at least three areas in his district where the utility board has had to piecemeal and it should have been major repairs.

Ms. Wilcox asked how much of the increase would go to replace new water lines. Utility Board Manager, Eric Bennett, said they had a capital budget of $200,000.00. Within the rate increase, there is $2.00 per customer per month that will go to replace 50,000' of new water lines. In year three they will increase the capital budget to $500,000.00 to fix more lines. Repair costs will go down with the improvement projects, he said.

Ms. Tallman asked how much will be for administrative costs and pay increases, and Mr. Bennett said there would be no pay increases for next year. Their Board of Directors decides on their pay increases. They look at the social security cost of living allowance (coia) and that is their practice, he said.

AMENDMENT – Mr. Joyce moved, seconded by Ms. Tallman, to amend the date to June 21st on the last page of the ordinance to state "the schedule of rates, charges, and fees herein established and fixed shall be effective on all bills rendered on or after June 21, 1010.", and the amendment was adopted by unanimous vote.

Councilman Reed stated that no one likes to pay more if they think they are not getting the service. We have to look at the safety issue, he said. Water pressure is insufficient at Woodland Park, and it would take three fire trucks to pump water there during a fire. It is also important that we meet the requirements of the bond. We are still paying for old bond issues, and that debt does not go away. So we will be responsible for paying for old bonds and new ones. It is difficult to ask for an additional $6.00 per month, but we have to do what is right for the City and move with the growth. We have had decreases in industry and plants, and it takes a lot to operate our utilities. We still have to operate with fewer customers, he said.

Ms. Lynch asked what the other $4.00 was for, and Mr. Bennett said that it puts the bond ratio to 1.24 on a 1.2 requirement. If you get a 1.2 ration this year, you might not next year if you just get the bare minimum. Reductions in consumption and increases in costs make it hard, he said.

People were asked to conserve water, Ms. Lynch stated. Mr. Bennett said "Not by us. We have plenty of water." They have to conserve in California, but not here.

Mayor Robert Newell stated that the appreciated Council's courage these past two years, as they have had to make some increases in rates. This is not easy, he said, but his biggest concern is for the bonds. The City promised we would meet the requirements for the next twenty years that we have obligated to Riverfront.

If this increase only covers the water portion, Ms. Wilcox asked about the condition of the sewer. Mr. Bennett said that at this point, the sewer will stay the same. In the future DEP and EPA will give us mandates, and within the next ten years they will make us make improvements. It comes from the Clean Water Act, he said. They will wait for new census figures, but it could be two years before they have to ask for an increase for sewer. The last sewer increase was in 2005.

Mayor Newell stated that the citizens of Parkersburg voted two times to put the water system in the hands of the Utility Board, and the Utility Board has overwhelmingly suggested that the rates be increased.

VOTE – The motion to adopt the ordinance on first reading was adopted by majority vote, as follows:

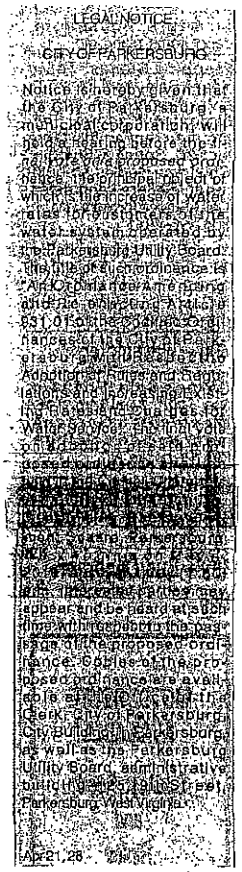
VOTING "yes"	VOTING "no"
Mr. Kimes	Ms. Wilcox
Mr. Reynolds	Ms. Lynch
Mr. Joyce	Mr. Sandy
Mr. Reed	Ms. Tallman
Mr. Rockhold	

The meeting adjourned at 8:35 PM.

City Clerk

Council President

water (pre)



LEGAL NOTICE

CITY OF PARKERSBURG

Notice is hereby given that the City of Parkersburg, a municipal corporation, will hold a hearing before the Parkersburg Utility Board on a proposed ordinance, the purpose of which is the increase of water rates for customers of its water system operated by the Parkersburg Utility Board. The title of the ordinance is "An Ordinance Amending and Re-ordaining Article 951 of the Codified Ordinances of the City of Parkersburg, West Virginia, Creating Additional Rules and Regulations and Increasing Existing Charges for the Use of Water Service." The hearing will be held at the Parkersburg Utility Board Office, 1320 Gihon Road, Parkersburg, West Virginia, on the 28th day of April, 2010, at 10:00 a.m. at which time all interested parties may appear and be heard at such time with respect to the proposed ordinance. Copies of the proposed ordinance are available for inspection in the Clerk's Office of the City of Parkersburg, City Building, Parkersburg, as well as the Parkersburg Utility Board, administrative building, 1320 Gihon Road, Parkersburg, West Virginia.

Apr 21,28

.....MARY J BUCK.....

Being first duly sworn, says that the

"LEGAL NOTICE".....

.....

Hereto attached was printed in the

..XX...The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for ...TWO.... successive Week(s), the first publication and posting thereon being on the ...21ST.....day of ...APRIL..... 2010.., and subsequent publication on the .....28TH..... day (s) of ...APRIL..... 2010....

Printer's Fee	$.....54.60...
Notarized Signature	$.....2.00...
Additional Copy Fee	$.....
Total Due:	$.....56.60...

By: Mary J Buck

RECEIVED
2010 MAY 10 AM 8 11
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Subscribed and sworn to before me this

28th day of April ..... 2010.

Melani Zyla

Notary Public for Wood County, West Virginia

My commission expires .....3-23-14.....

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1829 - 19th ST, PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MARCH 23, 2014

Rate Form No. 12

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

Notice is hereby given that the City of Parkersburg has adopted by ordinance on May 4, 2010, a tariff containing increased rates, tolls and charges for furnishing Water service to 16,150 customers at Parkersburg in the County of Wood, West Virginia.

The proposed increased rates and charges will become effective June 21, 2010 unless otherwise ordered by the Public Service Commission and will produce approximately $1,203,447 annually in additional revenue, an increase of 21.3% in year one, and approximately $697,198 annually in additional revenue, an increase of 10.2% in year two, and approximately $388,990 annually in additional revenue, an increase of 5.1% in year three. The average monthly bill for various classes of customers will be changed as follows:

Rates Effective July 1, 2010

Schedule 1

	($) INCREASE	INCREASE (%)
Residential	$5.93	28.6%
Commercial	$9.91	11.9%
Industrial	$6.73	20.7%
Resale	$ n/a	n/a%
Other	$10.19	11.7%

Schedule 2

Residential	$6.53	28.9%
Commercial	$10.79	11.7%
Industrial	$7.34	20.4%
Resale	$n/a	n/a%
Other	$130.9	11.4%

Rates Effective July 1, 2011

Schedule 1

	($) INCREASE	INCREASE (%)
Residential	$2.90	10.9%
Commercial	$10.00	10.8%
Industrial	$4.25	10.8%
Resale	$ n/a	n/a%
Other	$10.50	10.8%

Schedule 2

Residential	$2.90	9.9%
Commercial	$10.00	9.7%
Industrial	$4.25	9.8%
Resale	$ n/a	n/a%
Other	$10.50	9.7%

Rates Effective July 1, 2012

Schedule 1

	($) INCREASE	INCREASE (%)
Residential	$1.60	5.4%
Commercial	$5.65	5.5%
Industrial	$2.32	5.3%
Resale	$ n/a	n/a%
Other	$5.93	5.5%

Schedule 2

Residential	$1.66	5%
Commercial	$5.72	5.1%
Industrial	$2.36	5%
Resale	$ n/a	n/a%
Other	$6.01	5.1%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who presents a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipality. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the City to provide any information requested concerning it, is available to all customers, prospective customers or their agents at the following office.

Parkersburg Utility Board
1725 19th Street
Parkersburg, WV 26101
Attn: Eric Bennett, Manager

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, Charleston, West Virginia.

May10,17

.....MARY J BUCK.....

Being first duly sworn, says that the

"PUBLIC NOTICE OF CHANGE IN RATES".....

.....

Hereto attached was printed in the

..XX...The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for ...TWO.... successive Week(s), the first publication and posting thereon being on the ...10TH.....day of ...MAY..... 2010.., and subsequent publication on the .....17TH..... day (s) of ...MAY..... 2010....

Printer's Fee $..311.67...

Notarized Signature $.....2.00...

Additional Copy Fee $.....

Total Due: $....313.67...

By: Mary J. Buck

Subscribed and sworn to before me this

19th day of May 20 10

Melani Zyla
Notary Public for Wood County, West Virginia

My commission expires 3-23-14

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1629 - 19th ST, PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MARCH 23, 2014

Legal Form No. 12

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

Notice is hereby given that the City of Parkersburg has adopted by ordinance on May 4, 2010, a tariff containing increased rates, tolls and charges for furnishing Water service to 19,150 customers at Parkersburg in the County of Wood, West Virginia.

The proposed increased rates and charges will become effective June 21, 2010 unless otherwise ordered by the Public Service Commission and will produce approximately $1,209,447 annually in additional revenue, an increase of 21.3% in year one, and approximately $697,198 annually in additional revenue, an increase of 10.2% in year two, and approximately $388,990 annually in additional revenue, an increase of 5.1% in year three. The average monthly bill for various classes of customers will be changed as follows:

Rates Effective July 1, 2010

Schedule 1

	($) INCREASE	INCREASE (%)
Residential	$5.93	28.6%
Commercial	$9.91	11.9%
Industrial	$6.78	20.7%
Resale	$n/a	n/a%
Other	$10.18	11.7%

Schedule 2

Residential	$5.53	28.9%
Commercial	$10.79	11.2%
Industrial	$7.34	20.4%
Resale	$n/a	n/a%
Other	$110.9	11.4%

Rates Effective July 1, 2011

Schedule 1

	($) INCREASE	INCREASE (%)
Residential	$2.90	10.9%
Commercial	$10.00	10.8%
Industrial	$4.25	10.8%
Resale	$n/a	n/a%
Other	$10.50	10.8%

Schedule 2

Residential	$2.90	9.9%
Commercial	$10.00	9.7%
Industrial	$4.25	9.8%
Resale	$n/a	n/a%
Other	$10.50	9.7%

Rates Effective July 1, 2012

Schedule 1

	($) INCREASE	INCREASE (%)
Residential	$1.50	5.4%
Commercial	$5.66	5.5%
Industrial	$2.82	5.3%
Resale	$n/a	n/a%
Other	$5.85	5.5%

Schedule 2

Residential	$1.60	5%
Commercial	$5.72	5.1%
Industrial	$2.96	5%
Resale	$n/a	n/a%
Other	$6.01	5.1%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission, a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the City to provide any information requested concerning it, is available to all customers, prospective customers or their agents at the following office,

Parkersburg Utility Board
125 19th Street
Parkersburg, WV 26101
Attn: Ella Bengel, Manager

A copy of the proposed rates is available for public inspection at the office of the Secretary of the Public Service Commission at 201 Brooks Street, Charleston, West Virginia.

May 10, 17

.....MARY J BUCK.....

Being first duly sworn, says that the

"PUBLIC NOTICE OF CHANGE IN RATES".....

.....

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Total Due: $....313.67...

By:.....Mary J. Buck.....

Subscribed and sworn to before me this

19th day of ...May.....20..10.

.....Melanie Zyla.....

Notary Public for Wood County, West Virginia

My commission expires .....3-23-14.....

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1629 - 19th ST. PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MARCH 23, 2014

JOURNAL OF THE CITY COUNCIL, NO. 51

The Council of the City of Parkersburg met in regular session Tuesday, October 26, 2004, at 7:30 PM in the Council Chambers on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 6101.

The meeting was called to order by Council President, Robert L. Goff, who presided over the meeting. Councilman Sheila Hunley led the Lord's Prayer and the Pledge of Allegiance. The Clerk noted the attendance, and those present included Councilmen Sheila Hunley, Dorsey Cheuvront, Brad Kimes, Hampden Fitcher, Sharyn Tallman, Demo Dukas, and Robert Goff. Councilmen Ed Roedersheimer and Betty Mather were absent.

MINUTES – Mr. Kimes moved to accept the minutes from the meeting held October 12, 2004, and the motion was adopted by unanimous vote.

MESSAGE FROM THE EXECUTIVE: - There was no message.

REPORTS FROM STANDING OR SPECIAL COMMITTEES - Councilwoman Sharyn Tallman presented a check in the amount of $1,000.00 to Martin School representatives for uniforms for their basketball team from an anonymous donor. Another donation of $250.00 was also mentioned this evening, by anonymous donation. The members of the girls basketball team from Martin School were recognized by Councilwoman Hunley, and it was again mentioned that these donations were made because student, Tom Isner, 19th Avenue, cared about the team, and their school could not afford uniforms.

PUBLIC FORUM

Councilwoman Betty Mather came to the microphone from the audience and resigned her position as City Councilman for District #6, effective October 31, 2004. She thanked the Mayor and City employees and said she would miss them, but that she could not work with this Council.

Mr. Owen Friend, 22nd Street, told Council he could do nothing more concerning fixing his street. His neighbors do not want pavement, they want to keep the brick, and he knows it will cost too much. He asked if they could fix one pothole a year with the brick.

Public Works Director, Tom Slater, said it would still be very expensive. Mayor Jimmy Colombo said he did not know who put the bad patches in the potholes, but he thought they could be removed. Everyone knows we have budget restraints, he said, and said the City had been responsive when the citizens want to help. He said he did not want to send a City crew to that street when the residents clearly do not want pavement.

Since this is a historic district, Council President Goff asked if we had talked about a levy so the people could pay their share. Mayor Colombo said the difference would still be $45.00 - $50.00/sq.yd.

Mr. Ron Jalbert, 61 Canterbury Drive, thanked the Public Works Committee and its Chairman, Councilman Fitcher, for helping to upgrade the ordinance for consideration this evening concerning handicapped parking. He offered to help Chief Newell with any details of the ordinance.

Mr. Shawn Critzer, 939 Juliana Street, told Council he was a new resident to Parkersburg, and did not want them to change the ordinance to allow home occupations in the Juliana Square Historic District. We have to protect what we have he said, and said that Parkersburg was worth saving.

Concerning brick streets, Mr. Critzer said he hoped Ann Street would never be blacktopped.

Mrs. Lillian McCray, 111 13th Street, told City Council they had a petition with 60 signatures opposed to changing the ordinance to allow for the home occupations on Juliana Street. She said the properties are being upgraded, people are helping each other to restore their houses, and there is not enough code officers to fix everything.

Mr Bob Hunley, Davisville, WV, owns 18 properties in the City. He said that there is a request for a homeless center for 1413 Lynn Street, and no one in the neighborhood wants it there. He asked if the BZA action was final.

President Goff stated that his only recourse as to the Wood County Circuit Court. City Council cannot override BZA.

Mr. Christopher Harnett, President of the Julia-Ann Square Historic District, asked what kind of monitoring their neighborhood could expect if the business is allowed in their district. He said they are seeing a surge in what the historic area is, and they do not want other businesses coming in.

ORDINANCE, FINAL READING

AN ORDINANCE AMENDING SECTION 125.01, COMPOSITION OF ARTICLE 125, FIRE DEPARTMENT, OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Section 125.01, Composition, of Article 125, Fire Department, of the Codified Ordinances of the City of Parkersburg be amended and re-enacted as follows:

125.01 Composition

The Fire Department shall consist of a Chief and such number of Captains, Lieutenants, Firemen First Class, Inspectors and Firemen as may be determined from time to time by resolution of Council.

Members of the Fire Department who have attained their 5th Anniversary as a sworn Firefighter with the department and who are certified as an Emergency Medical Technician shall be given the designation of Firefighter/EMT. Such designation shall be a non-civil service designation rate.

All members of the department who attain the designation of Firefighter/EMT and maintain certification as an Emergency Medical Technician shall receive an increase in pay of forty-two ($.42) cents per hour for all forty-eight (48) hour work week personnel and fifty ($.50) cents per hour for all day shift personnel, effective November 22, 2004.

MOTION – Mr. Fitcher moved to adopt the ordinance on final reading and the motion was adopted by unanimous vote.

ORDINANCE FIRST READING:

AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE 927.01
OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG
WITH RESPECT TO ADOPTION OF RULES AND REGULATIONS AND INCREASING
EXISTING RATES AND CHARGES FOR SANITARY SEWER SERVICE.

MOTION – Mr. Fitcher moved, seconded by Mr. Cheuvront, to adopt the ordinance on first reading, and the motion passed by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE AMENDING AND RE-ENACTING SECTION 351.17
OF ARTICLE 351 OF THE CODIFIED ORDINANCES OF THE
CITY OF PARKERSBURG RELATING TO ENFORCING
ACCESSIBLE PARKING VIOLATIONS AND FRAUD PROVISIONS

MOTION – Mr. Fitcher moved to adopt the ordinance on first reading, and the motion passed by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE AMENDING AND RE-ENACTING
ARTICLE 1348.03 OF THE CODIFIED ORDINANCES

MOTION – Mr. Cheuvront moved to adopt the ordinance on first reading.

City Attorney, Joseph Santer, suggested amendments in paragraphs #5 and #12.

MOTION – Mr. Fitcher moved to amend the ordinance as suggested, and the motion failed by majority vote with Mrs. Hunley and Mr. Fitcher voting "yes", and Mr. Cheuvront, Mr. Kimes, Mrs. Tallman, Mr. Dukas, and Mr. Goff voting "no".

VOTE ON MAIN MOTION – The motion failed by unanimous vote.

The Clerk read of a communication from The Parkersburg News and The Parkersburg Sentinel covering their circulation and qualifications for their newspapers.

MOTION – Mr. Kimes moved to receive and file the communication, and the motion was adopted by unanimous vote.

The Clerk presented another communication from the Municipal Planning Commission denying a request to rezone 2200 Lincoln Avenue from R-2 to B-4

MOTION – Mr. Fitcher moved to table the communication, and the motion was adopted by unanimous vote.

The meeting adjourned at 8:20 PM

Connie Shaffer
City Clerk

Council President

JOURNAL OF THE CITY COUNCIL, NO. 51

PARKERSBURG, W. VA., November 9, 2004

The Council of the City of Parkersburg met in regular Session Tuesday, November 9, 2004, at 7:30 PM in the Council Chambers of the Municipal Building on the second floor at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by Council President, Robert L. Goff, who presided over the meeting. Councilman Hampden Fitcher led the Lord's Prayer and the Pledge of Allegiance. The Clerk noted the attendance and those present included Councilmen Sheila Hunley, Dorsey Cheuvront, Brad Kimes, Hampden Fitcher, Sharyn Tallman, Ed Roedersheimer, Demo Dukas, and Robert Goff. Councilwoman Betty Mather was absent.

MINUTES – Mr. Roedersheimer moved, seconded by Mrs. Tallman, to dispense with the reading of the journal and approve the minutes from October 12, 2004, October 21, 2004, and October 26, 2004, and the motion was adopted by unanimous vote.

MESSAGE FROM THE EXECUTIVE – Mayor Jimmy Colombo asked Fire Chief, Steve Gainer, to speak concerning an incident in the City this past week. Chief Gainer stated that one of our fire trucks was on the way to Erickson Field when they got the call to go to Broadway Avenue nearby. Gentlemen, approximately aged 70, had a heart attack while walking along Broadway Avenue and was DOA when the firemen got to him in front of Fairplains School. The firemen brought him back to life, and he is now out of intensive care and doing well.

Another incident near Fairplains School a day or so later involved two sixth graders from that school, Brian Riel and Steven Garner. A runaway dump truck with no brakes came through the area where the crossing guard was helping the school children. Brian quickly brought the students back to Steve who held them in safety. The young men said their instincts and impulse took over.

Mayor Colombo said their hearts were clearly in the right place and they are heroes. Police Chief, Robert Newell presented them with a certificate on behalf of the City and the Police Department, and the crossing guards. No one was injured thanks to the reactions of these two young men. They received a standing ovation and applause from the more than 100 attendees of tonight's meeting.

REPORTS FROM STANDING OR SPECIAL COMMITTEES – Council President Goff appointed Councilwoman Sheila Hunley to the Personnel Committee to replace Betty Mather, who resigned from City Council.

PUBLIC FORUM – Mr. Ollie Oxley, Willow Lane, asked about the status of former developer, Mr. Kerns, who developed the Willow Lane area. Councilman Hampden Fitcher stated that according to reports and information gathered by City Attorney, Joseph Santer, he was sorry we could do nothing for them and the condition of their private road.

PUBLIC HEARING – T.I.F.

The hearing began at 7:40 PM.

Sister Joan Cranduel, (spelling) 1815 Park Avenue, appeared before Council in support of the T.I.F. She said that the DeSales Heights area is a very special place and she wants to respect that. She said the hospital has looked for development of that area and they want the neighbors to be proud of it. There will still be green space and the T.I.F. will allow the transformation to allow for the peacefulness, she said, and it was designed to keep business in West Virginia.

Council President Goff asked T.I.F. counsel, John Stump from Steptoe and Johnson, who represents City Council, to briefly speak. Mr. Stump stated that the purpose of this hearing is to consider the submission of the application of the WV Development office. This is just the second of four steps and other hearings will be required.

House of Delegate Member, J. D. Beane, appeared in favor of the T.I.F., stating that he supported it in the Legislature. It allows municipalities and county commissions to create economic development, he said, and he trusted City Council to use this as a tool. He also told those attending that the Board of Education would not lose money, as it would be made up by the State.

Mr. Steve White, Director of the Trades Union, stated that he was co-chair for the All For One Committee when T.I.F. started. They would like to see projects built, and by competitive bid, and added that every tool is not for every job. He urged Council to move with caution. T.I.F. is about the public's money that will go into development. He also reminded them of the "but if" clause.

Mr. Greg Smith, Director of Public Affairs from Camden Clark Memorial Hospital, said he and the hospital agree that any development with private contractor's helps, but he does not believe it should be done with public money. He thinks T.I.F. creates unfair competition and that was not the intent. There are no specific projects at this time. T.I.F. could shift from productive to less productive, he said, as jobs are just shuffled making unintended consequences. (Mr. Smith's 20 minutes speech is available in written form.)

Attorney Andrew Woofter appeared before Council representing Mr. Jeff Arnold, who is protesting the T.I.F., stating it would cause unfair competition.

Mr. Ron Jalbert, 61 Canterbury Drive, said this project would have a 30-year requirement to have their records open to the public. St. Joseph is private and should be excluded from the T.I.F. zone, he said.

Attorney Richard Hayhurst, represented the Wood County Commission, asked for a project plan, and was told by Mr. Santer that there was no plan. Mr. Hayhurst said he wanted the evidence on which the findings would be based.

Mr. Stump said that would be part of the ordinance that creates the district. This resolution seeks approval of the application and after that the City will go through an ordinance. No evidence is required.

WHEREAS, The Urban Renewal Authority of The City of Parkersburg is charged with the duty and responsibility of eliminating slum and blighted conditions within the City of Parkersburg, as set forth in the redevelopment plan previously approved by the City Council of The City of Parkersburg, in accordance with West Virginia Code §16-18-6, and

WHEREAS, part and parcel of that plan is the acquisition, reconstruction, rehabilitation, or future use of certain parcels of real estate now in a slum or blighted condition, and

WHEREAS, The Urban Renewal Authority of The City of Parkersburg has requested funding for the acquisition of that certain real estate located at 4108 13th Avenue in the City of Parkersburg, West Virginia, and

WHEREAS, The Council of The City of Parkersburg, hereby amends said plan by the specific addition of 4108 13th Avenue Street; and deems it in the best interest of the citizens of the City of Parkersburg, to provide funding for the elimination of slum and blighted conditions within the City of Parkersburg.

NOW THEREFORE LET IT BE RESOLVED that The City of Parkersburg amend the redevelopment plan of the City by the addition of 4108 13th Avenue and provide such funds as are necessary and in an amount not to exceed $7,000.00 (acquisition) for the Urban Renewal Authority of The City of Parkersburg to acquire by eminent domain the herein described real estate in accordance with the terms of the Urban Renewal Plan, and West Virginia Code 16-18-8, as previously approved by this City Council, and that such funds not to exceed $7,000.00 shall be paid out of the City's Community Development Block Grant Program.

MOTION – Mr. Roedersheimer moved to adopt the resolution, and the motion was adopted by unanimous vote.

ORDINANCE, FINAL READING:

AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE 927.01 OF THE CODIFIED ORDINANCES OF THE CITY OF PARKERSBURG WITH RESPECT TO ADOPTION OF RULES AND REGULATIONS AND INCREASING EXISTING RATES AND CHARGES FOR SANITARY SEWER SERVICE

WHEREAS, in order to protect the public health, safety and welfare, and acting upon a recommendation made by the Parkersburg Utility Board, the Council of the City of Parkersburg ("City Council") has determined that it is necessary for the Parkersburg Utility Board (the "Utility Board") to complete a project of additions, betterments and improvements to the existing public sewer collection and treatment system of the City of Parkersburg (the "System"), consisting of replacements and improvements to the wastewater treatment plant, together with all appurtenant facilities (the "Project"); and

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

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG, WEST VIRGINIA:

Section I. 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 and fees are hereby fixed and determined as the rates, charges and fees to be charged to customers of the 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 Nine Dollars and Eight Cents ($9.08) per month through and including December 31, 2005. Thereafter each customer shall pay a total customer charge in the amounts and on and after the effective dates as follow:

Customer Charge	Effective Date
$10.84	January 1, 2006
$12.60	January 1, 2007
$14.35	January 1, 2008

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 and Sixty-seven Cents ($3.67) per 1,000 gallons, based upon the metered amount of water supplied through and including December 31, 2005. Thereafter, each customer shall pay in addition to the minimum customer charge, in the amounts and on and after the effective dates, a volumetric charge, based upon the metered amount of water supplied, as follow:

Volume Charge	Effective Date
$4.30 per 1,000 gallons	January 1, 2006
$4.93 per 1,000 gallons	January 1, 2007
$5.56 per 1,000 gallons	January 1, 2008

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 usage of 4,500 gallons per month. Such customers may be required by the Utility Board to install metering equipment to measure the actual volume of water usage.

Customer Deposit

All new applicants for residential or other sewer service may be required to deposit (i) a minimum of fifty dollars ($50), or (ii) two-twelfths (2/12) of the annual estimated charge for sewer service, whichever is greater.

All new applicants for residential or other combined water and sewer service may be required to deposit (i) a minimum of one hundred dollars ($100), or (ii) two-twelfths (2/12) of the annual estimated charge for each service, whichever is greater.

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 System

Where a user of the 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 System, the rates and charges herein shall be applied only to the metered amount of water supplied to the premises and discharged into the System.

Delayed Payment Penalty Charges

The above schedule is net. On all current usage billings not paid in full by the latest pay date, which shall be no sooner than the twentieth day following the date the Utility Board mails the bill, ten percent (10%) shall be added to the net current amount unpaid. The delayed payment penalty is not interest and is to be collected only 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 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 Board and in compliance with Public Service Commission rules.

Section II. That, in accordance with the requirements of Chapter 8, Article 11, Section 4 of the Code of West Virginia, 1931, as amended, the City of Parkersburg shall cause notice of the proposed adoption of this Ordinance to be published as a Class I-0 legal advertisement, with such publication being made at least five days before the City Council meeting at which this Ordinance is to be finally adopted, and with said notice meeting the other requirements set forth in Code §8-11-4;

Section III. That in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, the rules and regulations and the rates and charges provided for herein shall be effective not sooner than 45 days from the date of adoption; and

Section IV. That, in accordance with the Public Service Commission's *Rules for the Construction and Filing of Tariffs*, 150 CSR 2, notice of this Ordinance shall be provided by (a) causing to be published the Commission's Tariff Form No. 12 as a Class II legal advertisement, with the first publication occurring within five days after the adoption of this Ordinance, in a qualified newspaper of general circulation in the area of Parkersburg, and (b) causing to be published a press release that contains the substance of Tariff Form No. 12, in a qualified newspaper of general circulation in the area of Parkersburg, (c) posing a notice that conforms with Tariff Form No. 12 in a conspicuous place at the Utility Board's business premises beginning the day after the City Council meeting at which this Ordinance is adopted and continuing for 30 days, and (d) filing with the Public Service Commission, within 5 days after adoption of this Ordinance, a copy of this Ordinance along with other information as required by Section 22.1.f. of the *Tariff Rules*

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

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

The schedule of rates, charges and fees herein established and fixed shall be effective on all bills rendered on and after the dates as set forth herein in Section I above.

SPONSORED BY: Councilman Roedersheimer, Goff, Cheuvront, and Fitcher.

Passed on First Reading: _____
Adopted on Second Reading: _____

MOTION – Mr. Fitcher moved, seconded by Mr. Roedersheimer, to adopt the ordinance on final reading.

At 8:31 PM, President Goff 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 8:32 PM.

VOTE – The motion passed by unanimous vote.

ORDINANCE, FINAL READING:

AN ORDINANCE CALLING FOR A SPECIAL ELECTION
AND TO FILE CERTIFICATES OF CANDIDACY FOR
VACANCY IN THE OFFICE OF MEMBER OF CITY
COUNCIL FOR DISTRICT #6

WHEREAS, the City Councilwoman for District #6 has resigned; and

WHEREAS, this creates a vacancy for a member of City Council for that District; and

WHEREAS, Section 2.206 (2) (b) of the Charter of the City of Parkersburg requires Council to call a special election and ordain time limits within which Certificates of Candidacy to fill said vacancy may be filed;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PARKERSBURG HEREBY ORDAINS that a Special Election is hereby called for **Saturday, January 8, 2005;**

BE IT FURTHER ORDAINED that Certificates of Candidacy for the vacancy of member of City Council for District #6 (precincts 19, 24, and 29) to be voted upon by said Special Election, be and the same shall be filed between **November 10, 2004 and November 17, 2004, both dates inclusive;** or if mailed, shall bear a postmark within such period of time. In all other respects said election shall be conducted and the results determined and certified in accordance with the provisions of general law governing the conduct of elections so far as such law is applicable.

MOTION – Mrs. Hunley moved, seconded by Mrs. Tallman, to adopt the ordinance on final reading, and the motion passed by unanimous vote.

ORDINANCE, FINAL READING:

AN ORDINANCE AMENDING AND RE-ENACTING SECTION 351.17
OF ARTICLE 351 OF THE CODIFIED ORDINANCES
OF THE CITY OF PARKERSBURG
RELATING TO ENFORCING ACCESSIBLE PARKING
VIOLATIONS AND FRAUD PROVISIONS

THE COUNCIL OF THE CITY OF PARKERSBURG HEREBY ORDAINS

that Section, 351.17 of Article 351 of the Codified Ordinances of The City of Parkersburg be amended and reenacted as follows.

351.17 **Accessible Parking: Parking space designation and quantity, fraud provisions and fines.**

(a) All definitions of words in Section 351.17 shall be identical to those found in the definition sub-section of WV Code §17C-13-6.

(b) "Accessible parking" formerly known as "handicapped parking" is the present phrase consistent with language within the Americans with Disabilities Act (ADA).

(c) The West Virginia Commissioner of Motor Vehicles issues to qualified applicants a special registration plate and or a removable windshield placard (red for a six month duration or less or blue for a permanent mobility impairment). The placard shall be displayed by hanging it from the interior rearview mirror of the motor vehicle so that it is conspicuously visible from outside the vehicle when parked in a designated accessible parking space. The placard may be removed from the rearview mirror whenever the vehicle is being operated to ensure clear vision and safe driving. Only in the event that there is no suitable rearview mirror in the vehicle may the placard be displayed on the dashboard of the vehicle. The commissioner also issues to each applicant who is granted a special registration plate or windshield placard an identification card bearing the applicant's name, assigned identification number and expiration date. The applicant shall thereafter carry this identification card on his or her person whenever parking in an accessible parking space. The identification card shall be identical in design for both registration plates and removable windshield placards.

Sewer

SHERRY L. BENNETT

Being first duly sworn, says that the

"Public Hearing Notice – City of Parkersburg

Sewer Rate Ordinance"

Hereto attached was printed in the

XX Parkersburg News,

..... The Marietta AM,

XX The Parkersburg Sentinel,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for ONE successive weeks, the first publication and posting thereon being on the 2nd day of November, 2014, and subsequent publication on the N/A day (s) of ..... 20.....

Printer's Fee $ 895.16

Notarized Signature $ 2.00

Additional Copy Fee: $ .....

Total Due: $ 897.16

By: .....

Subscribed and sworn to before me this

10th day of November 2014.

.....
Notary Public for Wood County, West Virginia

My commission expires: 2-23-19

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1825 - 10th ST, PARKERSBURG WV 26101
MY COMMISSION EXPIRES MARCH 23, 2019

11-2-01

SEWER

AN ORDINANCE AMENDING AND RE-ENACTING
ARTICLE 927.01 OF THE CODIFIED ORDINANCES
OF THE CITY OF PARKERSBURG WITH RESPECT TO ADOPTION
OF RULES AND REGULATIONS AND INCREASING EXISTING
RATES AND CHARGES FOR SANITARY SEWER SERVICE

WHEREAS, in order to protect the public health, safety and welfare, and acting upon a recommendation made by the Parkersburg Utility Board, the Council of the City of Parkersburg ("City Council") has determined that it is necessary for the Parkersburg Utility Board (the "Utility Board") to complete a project of additions, betterments and improvements to the existing public sewer collection and treatment system of the City of Parkersburg (the "System"), consisting of replacements and improvements to the wastewater treatment plant, together with all appurtenant facilities (the "Project"); and

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

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG, WEST VIRGINIA:

Section I. 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 and fees are hereby fixed and determined as the rates, charges and fees to be charged to customers of the 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 Nine Dollars and Eight Cents ($9.08) per month through and including December 31, 2005. Thereafter each customer shall pay a total customer charge in the amounts and on and after the effective dates as follow:

Customer Charge	Effective Date
$10.84	January 1, 2006
$12.60	January 1, 2007
$14.35	January 1, 2008

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 and Sixty-seven Cents ($3.67) per 1,000 gallons, based upon the metered amount of water supplied through and including December 31, 2005. Thereafter, each customer shall pay in addition to the minimum customer charge, in the amounts and on and after the effective dates, a volumetric charge, based upon the metered amount of water supplied, as follow:

Volume Charge	Effective Date
$4.30 per 1,000 gallons	January 1, 2006
$4.93 per 1,000 gallons	January 1, 2007
$5.56 per 1,000 gallons	January 1, 2008

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 usage of 4,500 gallons per month. Such customers may be required by the Utility Board to install metering equipment to measure the actual volume of water usage.

Customer Deposit

All new applicants for residential or other sewer service may be required to deposit (i) a minimum of fifty dollars ($50), or (ii) two-twelfths (2/12) of the annual estimated charge for

sewer service, whichever is greater.

All new applicants for residential or other combined water and sewer service may be required to deposit (i) a minimum of one hundred dollars ($100), or (ii) two-twelfths (2/12) of the annual estimated charge for each service, whichever is greater.

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 System

Where a user of the 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 System, the rates and charges herein shall be applied only to the metered amount of water supplied to the premises and discharged into the System.

Delayed Payment Penalty Charges

The above schedule is net. On all current usage billings not paid in full by the latest pay date, which shall be no sooner than the twentieth day following the date the Utility Board mails the bill, ten percent (10%) shall be added to the net current amount unpaid. The delayed payment penalty is not interest and is to be collected only 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 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 Board and in compliance with Public Service Commission rules.

Section II. That, in accordance with the requirements of Chapter 8, Article 11, Section 4 of the Code of West Virginia, 1931, as amended, the City of Parkersburg shall cause notice of the proposed adoption of this Ordinance to be published as a Class I-0 legal advertisement, with such publication being made at least five days before the City Council meeting at which this Ordinance is to be finally adopted, and with said notice meeting the other requirements set forth in Code §8-11-4;

Section III. That in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, the rules and regulations and the rates and charges provided for herein shall be effective not sooner than 45 days from the date of adoption; and

Section IV. That, in accordance with the Public Service Commission's *Rules for the Construction and Filing of Tariffs,* 150 CSR 2, notice of this Ordinance shall be provided by (a) causing to be published the Commission's Tariff Form No. 12 as a Class II legal advertisement, with the first publication occurring within five days after the adoption of this Ordinance, in a qualified newspaper of general circulation in the area of Parkersburg, and (b) causing to be published a press release that contains the substance of Tariff Form No. 12, in a qualified newspaper of general circulation in the area of Parkersburg, (c) posing a notice that conforms with Tariff Form No. 12 in a conspicuous place at the Utility Board's business premises beginning the day after the City Council meeting at which this Ordinance is adopted and continuing for 30 days, and (d) filing with the Public Service Commission, within 5 days after

adoption of this Ordinance, a copy of this Ordinance along with other information as required by Section 22.1.f. of the *Tariff Rules*.

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

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

The schedule of rates, charges and fees herein established and fixed shall be effective on all bills rendered on and after the dates as set forth herein in Section I above.

SPONSORED BY: Councilmen Roedersheimer, Goff, Cheuvront, and Fitcher.

Passed on First Reading: _____
Adopted on Second Reading: _____

0-1160

Ordinance amending article 927.01 increasing sewer rates.

Adopted October 26, 2004 first reading

Adopted November 9, 2004 final reading after public hearing.

Mayor Jimmy Colombo

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 30th day of June 2011.

CASE NO. 11-0954-S-CN

PARKERSBURG UTILITY BOARD
Wood County, West Virginia
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewerage system; and for approval of the financing thereof.

NOTICE OF FILING

On June 30, 2011, Parkersburg Utility Board (Board) filed an application, duly verified, for a Certificate to construct certain additions and improvements to the City of Parkersburg's (City) existing sewerage system in Wood County.

The Board proposes to construct certain additions and improvements to its sewerage system consisting of (i) the construction of improvements to the First Avenue pump station that includes installation of larger capacity pumps, new electrical service, and generators, (ii) construction of improvements to the Agnes Street pump station that includes installation of larger capacity pumps, new electrical service, and generators, (iii) replacement of 3,000 feet of 14-inch Agnes Street force main with an 18-inch force main, and (iv) appurtenances relating thereto.

The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, Charleston, West Virginia.

The Board estimates that construction will cost approximately $7,731,700.00. It is proposed that the construction will be financed by a loan from the Clean Water State Revolving Fund loan in the amount of $5,731,700.00 and a $2,000,000.00 contribution from the Board.

The City does not seek a rate increase in connection with this filing and will continue to charge the following current tariff rates:

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 Nine Dollars and Eight Cents ($9.08) per month through and including December 31, 2005. Thereafter each customer shall pay a total customer charge in the amounts and on and after the effective date as follows:

Customer Charge	Effective Date
$10.84	January 1, 2006
$12.60	January 1, 2007
$14.35	January 1, 2008

One Dollar ($1.00) of the Customer Charge is designated for use on wet weather overflow (SSO) abatement projects.

VOLUME CHARGES
In addition to the minimum customer charge, each customer shall pay Three Dollars and Sixty-seven Cents ($3.67) per 1,000 gallons, based upon the metered amount of water supplied through and including December 31, 2005. Thereafter, each customer shall pay in addition to the minimum customer charge, in the amounts and on and after the effective date, a volumetric charge, based upon the metered amount of water supplied, as follow:

Volume Charge	Effective Date
$4.30	January 1, 2006
$4.93	January 1, 2007
$5.56	January 1, 2008

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 useage of 4,500 gallons per month. Such customers may be required by the Utility Board to install metering equipment to measure the actual volume of water usage.

CUSTOMER DEPOSIT
All new applicants for residential or other sewer service may be required to deposit (i) a minimum of fifty dollars ($50), or (ii) two-twelfths (2/12) of the annual estimated charge for sewer service, whichever is greater.

All new applicants for residential or other combined water and sewer service may be required to deposit (i) a minimum of one hundred dollars ($100), or (ii) two-twelfths (2/12) of the annual estimated charge for each service, whichever is greater.

.....MARY J BUCK.....

Being first duly sworn, says that the

"PSC-NOTICE OF FILING-PARKERSBURG UTILITY BOARD"

.....

Hereto attached was printed in the

..XX...The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for ...ONE.... successive Week(s), the first publication and posting thereon being on the ...8TH.....day of ...JULY..... 2011.., and subsequent publication on the .....

day (s) of ..... 20.....

Printer's Fee $.384.80...

Notarized Signature $....2.00...

Additional Copy Fee $.....

Total Due: $...386.80...

By: Mary J Buck

Subscribed and sworn to before me this

8th day of July 20 11.

Melani Myla
Notary Public for Wood County, West Virginia

My commission expires 3-23-14

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
MELANI ZYLA
1628 - 19th ST, PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MARCH 23, 2014

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 SYSTEM

Where a use of the 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 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 current usage billings not paid in full by the latest pay date, which shall be no sooner than the twentieth day following the date Utility Board mails the bill, ten percent (10%) shall be added to the net current amount unpaid. The delayed payment penalty is not interest and is to be collected only 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 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.

RULES & REGULATIONS FOR SANITARY SEWER SERVICE LINE CONSTRUCTION CASE # 9679 - Effective June 15, 1979

A. PURPOSE - These rules and regulations are intended to guide anyone who is constructing, repairing or extending any sanitary sewer facilities outside the structure which are, or are intended to be, connected to the sewer system of the City of Parkersburg. This information is, as the heading indicates, rules and regulations of acceptable practice. It is not possible for these rules to cover every possible situation or question. If you have questions regarding sanitary sewer installations, please contact the Parkersburg Sanitary Board at 424-8535.

B. APPLICATION FOR CUSTOMER SERVICE PIPE CONNECTION - This Application must be signed at the Parkersburg Sanitary Board Office, 125 - 19th Street, and represents a formal request for permission to install a customer service pipe or to repair a customer service pipe. If a sewer connection charge is applicable to the requested service, then the connection charge must be paid in full at the time of the Application. A street address and a lot number are needed at the time of Application.

C. PERMIT FOR CUSTOMER SERVICE PIPE CONNECTION - In response to the Application, if service is or can be made available, the Board will issue a Permit granting permission for connection to or repair of a customer service pipe. This Permit will describe a utility service pipe location, length and depth as indicated by Sanitary Board records. We cannot guarantee this data to be correct since records of many of the City Sanitary Sewers are not accurate or complete. We would advise that the Customer Service Pipe "y" connection or the Street Sewer be definitely located before proceeding with the entire customer service pipe excavation. No sewer construction can be done until after a Permit for the work is issued.

D. INSPECTION - Any customer service pipe repair or construction, whether on public or private property, must be inspected by Sanitary Board personnel before any backfilling of excavation is performed. These inspections can be performed Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. Notify the Board Office at 424-8535 when requesting an inspection. Inspections cannot be performed on weekends or legal holidays. Customer service pipe repair or construction which has not been inspected and approved by the Board will not be accepted for use. Sewers which have not been inspected will have to be totally uncovered so that the inspection can be performed. Inspection will be performed on the same day the call is received or on the next Sanitary Board working day.

E. MATERIALS

1. Approved pipe materials consist of clay, cast iron ductile iron, ABS and PVC "Plastic" pipe. Please not that ABS pipe must be Schedule 40 and must be stamped as meeting ASTM designation D-2661 or ASTM F-628. PVC pipe must be stamped as meeting ASTM designation D-2665 Schedule 40, or ASTM D-3034 SDR 35. Also, backfill to the top of ABS and PVC pipe must be with gravel or slag no larger than 3/4 inch, crusher run, or compacted clean sand. ABS and PVC pipe are to be installed with the ASTM number visible on top of the pipe for inspection.

2. For pipe other than ABS and PVC, fine soil from the excavation may be used for backfill if firmly tamped in place on each side of the pipe and to a depth of at least half the outside pipe diameter.

3. All joints are to be of watertight construction with factory fabricated fittings. No oakum, black mastic or cement joints are to be accepted.

4. Some approved fitting consist of 22-1/2E, 30E, 45E and long radius 90E bends and "wyes". Short radius 90E bends and "tees" are not recommended.

5. All water traps are to be installed inside the structure.

6. Minimum pipe diameter outside of structure - 4 inch.

F. GENERAL INFORMATION

1. Tapping of sanitary sewer main lines and manholes is to be done only by Sanitary Board personnel.

2. No storm water or ground water connections are to be made to any sanitary sewer facility. This prohibition includes roof drains, driveway drains, foundation drains and any basement drains intended to remove ground water.

3. No septic tanks or septic tank drain fields maybe connected to sanitary sewer.

4. Only granular slag will be permitted in unstable soil conditions or water laden ground.

5. These rules and regulations supersede any requirements of the Standard Plumbing Code or other related plumbing code provisions currently adopted by the City of Parkersburg which describe materials methods, procedures, etc., that are contrary to the rules and regulations hereinbefore described.

Resale customers of the Board include the City of Vienna.

Anyone desiring to protest or intervene in the Certificate proceeding should file a written protest or request to intervene within thirty (30) days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or request to intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or request to intervene. Requests to intervene must comply with the rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and requests to intervene should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

In the absence of substantial protest received within thirty (30) days of this publication, the Commission may waive formal hearing and grant the application based on the Commission's review of the evidence submitted with the application.

PARKERSBURG UTILITY BOARD

Jul 8

NOTICE OF PUBLIC HEARING ON THE 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 Tuesday, March 27, 2012, at 7:30 p.m. at the City Hall, Parkersburg, West Virginia, and at such hearing any person interested may appear before the City and present protest, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENT AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $7,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of acquisition and construction of certain additions, betterment and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the issuer; and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable from the revenues derived from the System. No taxes may any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of The City of Parkersburg on March 13, 2012. A certified copy of the above-entitled Ordinance is on file with the City for review by interested parties during regular office hours.

Following the public hearing, the City intends to enact the Ordinance upon final reading.

/s/ Robert Newell
Mayor

Mar 15,22

.....MARY J BUCK.....

Being first duly sworn, says that the

"NOTICE OF PUBLIC HEARING".....

.....

Hereto attached was printed in the

..XX...The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for ...TWO.... successive Week(s), the first publication and posting thereon being on the .....15TH.....day of ...MARCH..... 2012..., and subsequent publication on the .....22ND..... day (s) of ...MARCH..... 2012....

Printer's Fee	$..134.23...
Notarized Signature	$.....2.00...
Additional Copy Fee	$.....
Total Due:	$....136.23...

Mary J Buck

Subscribed and sworn to before me this

22nd day of March 20 12

Lisa C. Kelley
Notary Public for Wood County, West Virginia

My commission expires 3-4-14

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
LISA C. KELLEY
Parkersburg Newspapers, Inc.
519 JULIANA ST. PARKERSBURG, WV 26101
MY COMMISSION EXPIRES MARCH 4, 2014

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION

The undersigned CLERK of The City of Parkersburg hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

*** *** ***

The Council of The City of Parkersburg met in regular session, pursuant to notice duly posted, on the 22nd day of May, 2012, in Wood County, West Virginia, at the hour of 7:30 p.m.

PRESENT:

Nancy Wilcox	-	Councilmember
Sharon Lynch	-	Councilmember
D. Bradley Kimes	-	Councilmember
John R. Sandy	-	Councilmember
Sharyn Tallman	-	Councilmember
Mike Reynolds	-	Councilmember
Tom Joyce	-	Councilmember
John W. Rockhold, III	-	Councilmember
W. James Reed	-	Councilmember
Robert Newell	-	Mayor

Tom Aman, Steptoe & Johnson

ABSENT: None

Robert Newell, Mayor, presided, and Connie Shaffer, acted as Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF PARKERSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER

DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, a motion was made and seconded, and the said Supplemental Resolution was unanimously adopted and ordered in full force and effect on and from the date hereof.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The City of Parkersburg and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

Dated: May 23, 2012

Connie Shaffer
Clerk

04.27.12
686870.00026

Mayor Robert D. Newell

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

OFFICE OF THE CITY CLERK

Connie Shaffer, CMC, MMC
304-424-8442
fax 304-424-8486
email: parkersburgclerk@parkersburg-wv.com
www.parkersburg-wv.com

CERTIFICATION

I, Connie Shaffer, City Clerk of the City of Parkersburg, West Virginia, do hereby certify that the attached is a true and accurate copy of Parkersburg City Council minutes from February 28, 2012, March 13, 2012, and March 27, 2012.

Dated this 17th day of April, 2012.

Connie Shaffer
City Clerk

CITY SEAL

JOURNAL OF THE CITY COUNCIL, NO. 53

PARKERSBURG, W. VA., February 28, 2012

The Council of the City of Parkersburg met in regular session Tuesday, February 28, 2012, 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, Tom Joyce, who presided over the meeting. Councilman Jim Reed led the Lord's Prayer and Pledge of Allegiance. The Clerk noted the attendance and those present included Councilmen Nancy Wilcox, Sharon Lynch, Brad Kimes, John Sandy, Sharyn Tallman, Mike Reynolds, John Rockhold, Jim Reed and Tom Joyce.

MINUTES - Mr. Reynolds moved, seconded by Mr. Reed, to approve the minutes from the meeting held February 14, 2012, and the motion was adopted by unanimous vote.

REPORTS FROM STANDING OR SPECIAL COMMITTEES - Councilman Jim Reed reported that the Finance Committee met this evening and sent forward three budget revisions and the request for a crossing guard at 12th Avenue and Rayon Drive. Councilman Rockhold reported on a Chamber of Commerce After Hours meeting this evening, and earlier meetings where trails in Johnson Janes Park were discussed. New physicians at Camden Clark St. Joseph Center were introduced to the community at one of these meetings, and he and Councilman Reynolds attended a Roundtable meeting recently.

Councilwoman Tallman thanked sixteen young men and women who gave back to our community recently by cleaning and painting over graffiti on Cornwall Street. They also picked up debris around 13th Street and Cornwall and said those lessons learned were precious. She thanked the Save a Future Program for working with the youth.

Councilwoman Wilcox, chairman of the budget meetings, gave the following report from the Committee of the Whole for the budget for fiscal year 2012/2013:

REPORT FROM THE COMMITTEE OF THE WHOLE
BUDGET 2012/2013

The Committee of the Whole made the following amendments to the proposed budget on February 22, 2012, and we offer the following report:

We recommend re-instating flood wall fees that were removed from this budget (line item 359 on the revenue page)	$120,000
We recommend removing the amount that was to be given to The Humane Society for a spay and neuter program building Fund (line item 707 on the expenditure page)	50,000
TOTAL	$170,000
We recommend a pay increase for city employee (this includes benefits)	- 129,000
This leaves the following balance:	41,000
Of that amount we correct the amount for CDL licenses in street dept and Sanitation Department	-1,400
We also recommend transfer back to Capital Reserve Fund	- 6,986
Finally we recommend the revenue line item 369, Contribution from other funds be zero	- 32,614
This leaves a zero balance, but overall the budget total is now $25,592,361 instead of $25,504,975.	-----0----

We also recommend moving $11,500.00 from the amount that would have been spent for an inventory, to the Police Department for overtime to cover the Kids First Program.

MOTION - Ms. Wilcox moved, seconded by Mr. Sandy, to accept the report of the Committee of the Whole, and the motion was adopted by unanimous vote. A public hearing will be held March 13, 2012 prior to Council's final action on the budget.

MESSAGE FROM THE EXECUTIVE - Mayor Robert Newell thanked Ms. Wilcox for chairing the budget meetings this year. He said the next move would be to pass it before it goes to the State. The Mayor said he wanted to return money back to the citizens and there was a lot of thought and work that went into it. There is more money for streets and storm water in this budget, and it begins to address our OPEB liability. For the first time, we have the opportunity to eliminate a fee, the floodwall fee, and he is asking them again to reconsider. He said that last September he told Council that he was going to recommend eliminating this fee because it is unfair. People have told him not to eliminate it because

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 1635-08

At our last meeting, Mayor Newell stated that it was said the floodwall fee should have gone to committee, but h brought it back to the committee of the whole. No one committee decides what will be or not be in the budget for everyone No one has a valid reason, he said, not to take the fee out, but they put it back.

Eliminating that fee was a very direct correlation that the fee was for pay raises. Mayor Newell said he was nc against employees getting a fair wage, but he is against across the board raises and he is asking them to discuss that i the Personnel Committee. Our Country is not out of the woods yet on the economy, he said. Our upcoming budge projects until July 1, 2013 Gasoline is going up, and that will affect what people spend. Concerning the estimate fc recycling, he said it was the right thing to do to reduce it for next year because cardboard is going down. The floodwall is yearly line item and cannot be funded through the carryover, he said.

Mayor Newell said he was asking them to reduce the storm water line item by $120,000.00 for the pay increas instead of reinserting the floodwall fee, and said he hopes they will amend the budget accordingly.

PUBLIC FORUM - no one appeared.

RESOLUTION - the clerk presented a resolution authorizing the Sanitation Department to continue the part-tim recycling assistant position after their grant ends February 28, 2012, and will continue with funding in that departmer through the current school year.

MOTION - Mr. Reynolds moved, seconded by Ms. Wilcox, to adopt the resolution, and the motion was adopted b unanimous vote.

ORDINANCE, FIRST READING

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $7,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS SERIES 2012 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

MOTION - Mr. Rockhold moved, seconded by Mr. Reed, to adopt the ordinance on first reading, and the motion wa adopted by unanimous vote.

The meeting adjourned at 7:45 PM.

City Clerk

Council President

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO 1635-08

The Council of the City of Parkersburg met in regular session Tuesday, March 13, 2012, 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, Tom Joyce, who presided over the meeting. Councilwoman Nancy Wilcox led the Lord's Prayer and Pledge of Allegiance. The Clerk noted the attendance and those present included Councilmen Nancy Wilcox, Sharon Lynch, John Sandy, Sharyn Tallman, Mike Reynolds, John Rockhold, Jim Reed, and Tom Joyce. Councilman Brad Kimes was absent.

MINUTES - Ms. Tallman moved, seconded by Mr. Rockhold, to set aside the minutes from the meeting held February 21, 2012 for further review and the motion was adopted by unanimous vote.

Mr. Sandy moved, seconded by Ms. Wilcox, to approve the minutes from the meeting held February 22, 2012 and February 28, 2012, and the motion was adopted by unanimous vote.

There were no reports from standing or special committees, and no message from the executive.

PUBLIC FORUM - Mr. Mike Matheny from Matheny Motors on Ann Street, appeared asking Council to spread the floodwall fee over the entire City. He spoke on behalf of his 200 employees, and said his grandfather helped secure funding in Washington DC for the floodwall when it was built. He said their company has helped maintain the floodwall and he thinks it is time to do something about the fee. It would be easy to eliminate the fees, and he thinks there should be money set aside for the maintenance. Arrangements could be made for adjustments, he said.

RESOLUTION - The clerk presented a resolution to adopt the City's budget for fiscal year 2012-2013.

MOTION - Mr. Sandy moved, seconded by Ms. Wilcox, to adopt the resolution.

At 7:40 PM, President Joyce opened a public hearing to give the citizens an opportunity to voice their opinion on the budget. No one appeared and the hearing was declared closed at 7:41 PM.

Ms. Tallman offered the following amendments to the budget to facilitate as many things as they could:

Account 571-216, repair of cushman in the parking department - $1,000.00

Account 571-341, parking department, leave $6,500.00 and take $6,500.00

Account 571-458, parking department, bumpers and paint and sealer, leave $8,557 and take $10,000.00

Coal Severance Fund, leave $150,000.00 and take $10,800.00

Account 436-230 code department, leave $150,000.00 in demolitions and take $100,000.00

Account 436-459, reduce one car in code and leave one car, take $12,500.00

Account 700-291, reduce two police car and leave four, take $40,000.00

Account 413-341 remove desk and four chairs in Finance Dept, take $2,540.00

Account 414, capital improvements, take $50,000.00

That total is $233,340.00

Pay raise $129,000.00

That leaves $104,340.00

Give Humane Society $25,000.00

Give Wood Co Rec $25,000.00

Remove pool pass money for $54,340.00

Remove rental from pools for $32,135.00

This leaves $22,205.00 to savings.

There was no second to the motion.

Mr. Rockhold moved to remove the floodwall fee and the 20 cent pay increase, and offer a bonus out of the cash carryover. Acting Mayor, Joe Santer, our City Attorney, told Council we did not know what any excess funds would be, and their motion should be to remove the floodwall fee and the 20 cent pay increase.

There was no second to that motion.

PREVIOUS QUESTION- Mr. Reed moved the previous question and it was seconded by Ms. Wilcox, and the motion was adopted by majority vote with all members voting "yes" with the exception of Mr. Rockhold, who voted "no".

VOTE ON MOTION TO ADOPT THE BUDGET - the motion was adopted by majority vote with all members voting "yes" with the exception of Ms. Tallman and Mr. Rockhold, who voted "no".

RESOLUTION - the clerk presented a resolution for Fair Housing Month for April, 2012.

MOTION- Mr. Reed moved, seconded by Ms. Tallman, to adopt the resolution, and the motion was adopted

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PARKERSBURG, W. VA., March 13, 2012

RESOLUTION - the clerk presented a resolution requesting a budget revision in the amount of $6,380 00 for two temporary employees in the Building and Grounds Department.

MOTION- Mr. Reynolds moved, seconded by Mr. Reed, to adopt the resolution, and the motion was adopted by unanimous vote.

RESOLUTION - the Clerk presented a resolution requesting a budget revision in the amount of $297,769.00 for insufficient funds in utilities, gasoline, and laundry costs.

MOTION- Mr. Reed moved, seconded by Ms. Wilcox, to adopt the resolution, and the motion was adopted by majority vote with all members voting "yes" with the exception of Ms. Tallman, who voted "no".

RESOLUTION - the Clerk presented a resolution requesting a budget revision in the amount of $250,000.00 for additional paving during this fiscal year.

MOTION - Mr. Reynolds moved, seconded by Mr. Reed, to adopt the resolution, and the motion was adopted by unanimous vote.

ORDINANCE, SECOND READING:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $7,000,000.00 OF SERIES 2012 BONDS

MOTION - Mr. Rockhold moved, seconded by Mr. Reed, to adopt the ordinance on second reading, and the motion was adopted by unanimous vote. A third and final reading will be considered March 27, 2012.

ORDINANCE, FIRST READING:

AN ORDINANCE AMENDING THE CITY OF PARKERSBURG CHARTER, SECTION 4.301, DIRECTOR OF FINANCE, POWERS AND DUTIES, SUBPART (10) PHYSICAL INVENTORY

MOTION - Mr. Reed moved, seconded by Mr. Sandy, to adopt the ordinance on first reading.

MOTION TO AMEND - Ms. Wilcox moved, seconded by Mr. Rockhold, to amend the ordinance that the amount should be $500.00 instead of $1,000.00.

Ms. Tallman said she had requested the inventory through a Freedom of Information Request, and a copy of all items belonging to the City pertaining to the lawsuit for Randy Craig. She said that if we had a list of the items we would know if anything was missing or if we had leakage.

MOTION TO POSTPONE- Ms. Tallman moved, seconded by Mr. Rockhold, to postpone action on this ordinance, but the motion failed with all members voting "no" with the exception of Ms. Tallman, Mr. Reynolds, and Mr. Rockhold, who voted "yes".

Ms. Lynch stated that we held budget meetings and discussed every department and she wondered why we were talking about the inventory now. Ms. Tallman said we were expected to hold to the Charter and we should have the opportunity to look at the two documents she requested. Mr. Joyce suggested they vote on the main motion.

VOTE ON MOTION AS AMENDED - The motion, as amended, was adopted by majority vote with all members voting "yes" with the exception of Ms. Tallman, who voted "no".

The meeting adjourned at 8:10 PM.

City Clerk

Council President

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 1635-JR

The Council of the City of Parkersburg met Tuesday, March 27, 2012, at 7:30 PM in the Council Chambers on the second floor or the Municipal Building at One Government Square, Parkersburg WV 26101.

The meeting was called to order by Council President, Tom Joyce, who presided over the meeting. Councilwoman Sharon Lynch led the Lord's Prayer and Pledge of Allegiance, and the clerk noted the attendance, as follows: Those present included Councilmen Nancy Wilcox, Sharon Lynch, Brad Kimes, John Sandy, Sharyn Tallman, Mike Reynolds, John Rockhold, Jim Reed, and Tom Joyce.

MINUTES – Ms. Tallman moved, seconded by Ms. Wilcox, to approve the minutes from the budget meeting held February 21, 2012, and the motion was adopted by unanimous vote.

Mr. Sandy moved, seconded by Ms. Wilcox, to approve the minutes from the regular meeting held March 13, 2012, and the motion was adopted by unanimous vote.

REPORTS FROM STANDING OR SPECIAL COMMITTEES – Councilman Reed reported that the Finance Committee met this evening prior to City Council, and heard a good report from our auditors, Tetrick and Bartlett; approved several budget revisions, and moved an ordinance forward to Council this evening concerning a tax credit for vacant buildings.

Councilman Rockhold reported on a Roundtable meeting from March 14th, which has been newly organized with more interest. He also stated that the Task Force was in favor of the tax credit ordinance for vacant buildings.

Councilwoman Lynch reported that the Personnel Committee met last week and sent forth the Drug and Alcohol Testing Policy for City employees, on the agenda for first reading this evening.

MESSAGE FROM THE EXECUTIVE – VETO MESSAGE – Mayor Robert Newell has previously sent his veto message to City Council on the budget, which was primarily about the floodwall fee and his request to remove it from the budget. He told Council that if they do not override his veto, it will have no affect on the timeliness of any projects. The only thing that is vetoed is the one line item about the floodwall, he said, and said he considered it a very important issue before them. His message in full is as follows:

Floodwall Fee Veto Message

I have decided to veto the 2012 – 2013 budget for several reasons. This is not being done to make a point or to try to make everyone happy. It is not being done for just the businesses or for just the residents in the flood zone.

This is simply being done because I promised the citizens of Parkersburg that as the economy improved we would reduce or eliminate fees as we could and it's the right thing to do.

During the economic downturn and with the loss of tax revenue from St. Joseph's Hospital, City Council faced some very difficult decisions. This administration provided plenty of information and several options to Council members to make these decisions. This administration also made significant cuts to the city's expenses, without cutting or reducing services to our citizens.
City Council adopted the Service User Fee.

When City Council adopts a resolution or ordinance, the administration is required to enforce the measure, and, ultimately, is held responsible by Council's actions. We do this whether or not it's popular, whether the vote is 9 to 0, 8 to 1, or even 5 to 4. We treat all legislation as if it were passed unanimously.

When City Council passes a user fee it becomes my user fee. When Council cut funding I put in the budget for the Humane Society, I backed Council and defended Council members very publicly. The cuts became my budget cuts. That's what being a Mayor is.

However, when the user fee and other options were discussed by Council members in the very first committee meeting, I made it clear that I could only support city council on the measure if we would cut other city fees on our residents as the economy improves.

Previous to this meeting on March 25, 2010, I sent a memo to City Council President John Rockhold and City Council after several City Council members asked about options available for increasing revenue. This was even before the St. Joe Hospital issue. In that memo, I stated I was only favorable to any of these options if some money was used to offset other fees when money became available.

This year, I submitted a balanced budget to City Council that included many line items with no increases and many line items with decreases and, again, without cutting or reducing services. We continue to consolidate jobs.

This allowed us to eliminate the floodwall fee. I chose this fee because taxes and fees already paid by those in the flood zone, now pay for a storm water management system, which includes the floodwall. For them to pay additional is not fair.
This City Council, more than any before them, have earned the right to make changes in the budget. In this instance, City Council can still provide for the wage increase proposed and eliminate the Floodwall Fee.

Some people will try to paint a picture that the mayor and city council can't work together. As stated earlier, we literally have agreed on 98% of all issues. However, in a Strong Mayor form of government the Mayor does not get to vote for or against any issue. Individual members of City Council can, and often do, vote against an issue based on their convictions.

A veto is the only method for a Mayor to have an official voice in legislation he or she opposes.

MOTION – Mr. Sandy moved, seconded by Ms. Wilcox, to override the Mayor's veto. The motion was adopted by majority vote with all members voting "yes" with the exception of Mr. Rockhold and Mr. Joyce, who voted "no".

The Clerk presented a communication from Mayor Robert Newell appointing Mrs. Mari Keller, Parkersburg, WV to the Board of Commissioners for the Parkersburg Housing Authority through April 16, 2016.

MOTION – Mr. Kimes moved, seconded by Mr. Sandy, to approve the appointment, and the motion was adopted by unanimous vote.

PUBLIC FORUM – Mr. Dave Pasadyn, 4016 10th Avenue, questioned the fairness of the tax credit ordinance on first reading this evening, and thought all tax payers should be considered. He was satisfied when Mr. Santer explained that it was just for vacant buildings and anyone who was rehabilitating a building vacant for two years could be eligible for the credit on their B & O tax.

The Clerk presented a resolution stating that City Council meetings shall be April 10th and 17th; and May 15th and 22nd, 2012.

MOTION – Mr. Rockhold moved, seconded by Mr. Reed, to adopt the resolution, and the motion was adopted by unanimous vote.

The clerk presented a resolution authorizing Mayor Robert Newell to submit a grant application to the WV Development Office for a $5,000.00 grant for the Women's Care Center.

MOTION – Mr. Rockhold moved, seconded by Mr. Reed, to adopt the resolution, and the motion was adopted by majority vote with all members voting "yes" with the exception of Mr. Kimes, who abstained.

ORDINANCE, FINAL READING:

THE CITY OF PARKERSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $7,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF 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 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of 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 City of Parkersburg Utility Board (the "Board") a combined municipal waterworks and sewerage system (the "System"). However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing sewerage portion of the System of the Issuer, consisting of First Avenue and Agnes Street pumping stations upgrades and Agnes Street force main replacement, 2 together with all necessary appurtenances (collectively, the "Project") (the existing combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in the total aggregate principal amount of not more than $7,000,000 in one or more series (the "Series 2012 A Bonds") initially planned to be the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program) in the aggregate principal amount of not more than $7,000,000 (the "Series 2012 A Bonds") to permanently finance a portion the costs of acquisition and construction of the Project, and pay the costs of issuance thereof. 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 2012 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority including the SRF Administrative Fee (as hereinafter defined) for the Series 2012 A Bonds; discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2012 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2012 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 22 years.

F. It is in the best interests of the Issuer that its Series 2012 A Bonds be sold to the Authority pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties (the "Bond Purchase Agreement"), 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 2012 A Bonds as to liens, pledge and source of and security for payment, being the (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia 3 Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000 (the "Series 2003 A Bonds"); (ii) 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 (the "Series 2003 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000 (the "Series 2005 A Bonds"); (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000 (the "Series 2006 C Bonds"); (vii) Combined Waterworks and

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Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000 (the "Series 2006 D Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,372,600 (the "Series 2006 E Bonds"); and (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000 (the "Series 2011 A Bonds"), (collectively, the "Prior Bonds") The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System.

The Series 2012 A 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 2012 A Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the registered owners of the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2006 D Bonds, Series 2006 E Bonds and Series 2011 A Bonds to the issuance of the Series 2012 A Bonds on a parity with the Prior Bonds. The Series 2005 A Bonds and Series 2006 C Bonds do not require consent. Except for the Prior Bonds 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 Series 2012 A Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2012 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the 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 2012 A Bonds or such final order will not be subject to appeal. 4J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2012 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"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 Purchase Agreement" means, the Bond Purchase Agreement heretofore entered, or to be entered into by and among the Issuer, the Authority, and the DEP, providing for the purchase of the Series 2012 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution

"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 2012 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer. 5 "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

"Clerk" means the Clerk of the Issuer

"Closing Date" means the date upon which there is an exchange of the Series 2012 A Bonds for all or a portion of the proceeds of the Series 2012 A Bonds from the Authority

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

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

"Consulting Engineers" means Strand & Associates, Madison, Wisconson, 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 1.02G hereof to be a part of the cost of acquisition and construction of the Project.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the functions of the DEP.

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

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

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

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

"Grants" means any grants committed to the Project.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after 6 deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, 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.

"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 of the Issuer.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2012 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2012 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2012 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for the Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bond, for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to

maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other 7 action by a specified percentage of Bondholders, or holders of any Bonds or Prior Bonds registered to the Issuer.
"Parity Bonds" means Parity Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof
"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.
"Prior Bonds" means, collectively, the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2005 A Bonds, Series 2006 C Bonds, Series 2006 D Bonds, Series 2006 E Bonds and Series 2011 A Bonds.
"Prior Ordinance" means the ordinances of the Issuer, as supplemented by the supplemental resolutions of the Issuer, authorizing the Prior Bonds.
"Project" means the Project as described in Section 1.02B hereof.
"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:
(a) Government Obligations;
(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System; Export-Import Bank of the United States, Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the 8 principal amount of said time accounts;
(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;
(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;
(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and
(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is excluded from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.
"Registrar" means the Bond Registrar.
"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto
"Renewal and Replacement Fund" means the Depreciation Account created by the Prior Ordinance and renamed and continued per Section 5 01 herein..
"Reserve Accounts" means, collectively, the reserve accounts established for the Prior Bonds and the Series 2012 A Bonds.
"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2012 A Bonds.
"Revenue Fund" means the Revenue Fund established by the Prior Ordinance.
"Series 2003 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000. 9 "Series 2003 B Bonds" means the Issuer's 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.
"Series 2003 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000.
"Series 2003 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705.
"Series 2005 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000.
"Series 2006 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000.
"Series 2006 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000.
"Series 2006 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,372,600.
"Series 2011 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000.
"Series 2012 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.
"Series 2012 A Bonds Construction Trust Fund" means the Series 2012 A Bonds Construction Trust Fund established by Section 5.01 hereof.
"Series 2012 A Bonds Reserve Account" means the Series 2012 A Bonds Reserve Account established in Section 5.02 hereof.
"Series 2012 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 2012 A Bonds in the then current or any succeeding year. 10 "Series 2012 A Bonds Sinking Fund" means the Series 2012 A Bonds Sinking Fund established by Section 5.02 hereof.
"Sinking Funds" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2012 A Bonds.
"SRF Administrative Fee" means the Administrative Fee required to be paid pursuant to the Bond Purchase Agreement for the Series 2012 A Bonds.
"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.
"SRF Regulations" means the SRF regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations, as amended from time to time.
"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 2012 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 A Bonds, and not so included may be included in another Supplemental Resolution.
"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.
"System" means collectively, the existing combined waterworks and sewerage system of the Issuer, and shall include any 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.
Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION 11 OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed 9,000,000, and ordered 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 2012 A Bonds hereby authorized, shall be applied as provided in Article VI hereof.

CASTO & HARRIS, INC., SPENCER, WV Re-Order No. 1635-06

The cost of the Project is estimated not to exceed $9,000,000 of which approximately $7,000,000 will be obtained from proceeds of the Series 2012 A Bonds and approximately $2,00,000 will be a contribution from the Issuer

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2012 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2012 A Bonds of the Issuer. The Series 2012 A Bonds shall be issued in one series, as a single bond, designated as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program)", in the principal amount of not more than $7,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2012 A Bonds Construction Trust Fund established by Section 5 01 hereof.

Section 3.02. Terms of Bonds. The Series 2012 A Bonds shall be issued in such principal amounts; shall bear no interest, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2012 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Principal of the Series 2012 A Bonds, if any, 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 2012 A Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal 12 amount of the Series 2012 A Bonds. The Series 2012 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution Such Bonds shall be dated and shall bear no interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2012 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such 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 2012 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2012 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2012 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value

So long as the Series 2012 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2012 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in 13 writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2012 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of 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 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2012 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be 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 2012 A Bonds shall not, in any event, be or constitute a corporate 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 2012 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 A Bonds.

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 2012 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2012 A Bonds and the Prior 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 2012 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and 14deliver the Series 2012 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2012 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 A Bonds to the original purchasers;

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

D. Executed copies of the Bond Purchase Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2012 A Bonds

Section 3.10. Form of Bonds. The text of the Series 2012 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank] 15 (FORM OF SERIES 2012 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2012, 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, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

This bond shall bear no interest. 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 principal of this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2012. 16 This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (II) 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 (THE "SERIES 2003 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"); (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"); (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"); (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"); (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,000,000 (THE "SERIES 2006 D BONDS"); (VIII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,372,600 (THE "SERIES 2006 E BONDS") AND (IX) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA DWTRF PROGRAM), DATED MARCH 16, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $5,800,000 (THE "SERIES 2011 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"). 17 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 Revenue in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient whether calculated individually or combined to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2012 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 to (i) provide for the reasonable expenses of operation, repair and maintenance of the System, and (ii) So long as the Series 2005 A Bonds or Series 2006 A Bonds are outstanding to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and thereafter 115% of such amount; provided however, when the Series 2005 A Bonds and Series 2006 A Bonds are no longer outstanding and so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond. 18 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 Blank] 19IN 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 Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

_____

Mayor

ATTEST:

_____

Clerk 20 CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 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: _____, 2012

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 1635-08

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer 21EXHIBIT A
RECORD OF ADVANCES

AMOUNT _____ (19)
DATE

AMOUNT _____
DATE _____ (1) $

(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)

MOTION – Mr. Sandy moved, seconded by Mr. Reed, to adopt the ordinance on third and final reading.

PUBLIC HEARING – At 7:43 PM, President Joyce declared a public hearing open to give the citizens and opportunity to voice their opinion on this ordinance. No one appeared and the hearing was declared closed at 7:44 PM.

VOTE – The motion was adopted by unanimous vote.

ORDINANCE, FINAL READING:

AN ORDINANCE AMENDING THE CITY OF
PARKERSBURG CHARTER, SECTION 4.301
DIRECTOR OF FINANCE, POWERS AND DUTIES,
SUBPART (10) PHYSICAL INVENTORY

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that section 4.301, Director of Finance, Powers and Duties, subpart 910) Physical Inventory, of the Charter of the City of Parkersburg be and it is hereby amended to increase the threshold amount for inclusion in the annual physical inventory of all City owned equipment of the initial purchase value from $100.00 to $500.00 and as follows:

(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 $500.00 or more; provided however, that Council may by ordinance provide for the increase or decrease of the purchase value amount here in specified.

MOTION – Mr. Reed moved, seconded by Ms. Wilcox, to adopt the ordinance on final reading, and the motion was adopted by majority vote with all members voting "yes" with the exception of Ms. Tallman, who voted "no".

ORDINANCE FIRST READING:

AN ORDINANCE ESTABLISHING A VACANT BUILDING
REVITALIZATION BUSINESS AND OCCUPATION
TAX CREDIT PROGRAM

MOTION – Mr. Reed moved, seconded by Mr. Rockhold, to adopt the ordinance on first reading.

MOTION TO AMEND – Ms. Wilcox moved, seconded by Mr. Reed, to amend the ordinance to provide for a three-member panel consisting of the Mayor, Finance Director, and Chairman of the Finance Committee, for the approval of the process.

Mr. Kimes stated that the process should come through City Council and not a committee, and felt it was just another layer that was not needed.

The amendment and second was withdrawn.

Ms. Tallman asked if there would be any other changes, and asked if the contracts were ready. Mr. Santer said there were no contracts, but a preliminary application to give the City the opportunity to explain what they the applicant needs to do to qualify for the credit. When they are done with their renovations, they will provide documentation that the City needs to see if their expenditures are capital improvements. We only let them know what will qualify, he said. Ms. Tallman asked if we would check every year, and Mr. Santer said once they move into their business, we assume they are done. Mayor Newell stated that the five years does not start until they move in. Mr. Santer said we will have approved what their capital expenditures will be and we will know what they are entitled to.

Mayor Newell said it was a very simple process. There are a lot of people behind the process before it gets to the Finance Director, he said, and he agrees they do not need a panel after that. He said there was one group in a time crunch, and that is why he asked to come through the Finance Committee on this matter prior to Council this evening.

VOTE – The motion was adopted by unanimous vote.

ORDINANCE, FIRST READING:

AN ORDINANCE FOR A DRUG AND ALCOHOL
TESTING POLICY FOR CITY EMPLOYEES

MOTION – Mr. Sandy moved, seconded by Ms. Wilcox, to adopt the ordinance on first reading, and the motion was adopted by unanimous vote.

The meeting adjourned at 8:00 PM.

City Clerk

Council President

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 5/23/2012

ISSUE: The City of Parkersburg
Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

ADDRESS: 125 19th Street, Parkersburg, WV 26101 COUNTY: Wood

PURPOSE OF ISSUE:
New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 5/23/2012
CLOSING DATE: 5/23/2012
ISSUE AMOUNT: $5,731,700
RATE: 0%; 0.5% Admin Fee
1ST DEBT SERVICE DUE: 12/1/2013
1ST PRINCIPAL DUE 12/1/2013
1ST DEBT SERVICE AMOUNT $71,646.00
PAYING AGENT: Municipal Bond Commission

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

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: United Bank, Inc.
Contact: Angie Smith
Phone: 304.348.8403

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Robert Newell
Position: Mayor
Phone: 304.424.8400

OTHER:
Agency: WV Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: 304.926.0499 x1608

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. Fun	$
____	To Other: ____	$

NOTES: The Series 2012 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

United Bank, Inc., Parkersburg, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance of The City of Parkersburg (the "Issuer") enacted March 27, 2012, and the Supplemental Resolution of the Issuer adopted May 22, 2012 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), dated May 23, 2012, issued in the principal amount of $5,731,700 (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 23rd day of May, 2012.

UNITED BANK, INC.

By: _____
Its: Authorized Officer

686870.00026

5799592

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE 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 2012 A (West Virginia SRF Program), dated May 23, 2012, issued in the principal amount of $5,731,700 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 23rd day of May, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

686870.00026

5800000

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of The City of Parkersburg (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), of the Issuer, dated May 23, 2012, in the principal amount of $5,731,700, numbered AR-1, was registered as to principal and interest, if any, in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 23rd day of May, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

686870.00026

5799703

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 23rd day of May, 2012, by and between THE CITY OF PARKERSBURG, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $5,731,700 Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to the Bond Ordinance of the Issuer duly enacted March 27, 2012, and the Supplemental Resolution of the Issuer duly adopted May 22, 2012 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen

signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party 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
Post Office Box 1627
Parkersburg, WV 26102
Attention: City Manager

REGISTRAR: The 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 Bonds in accordance with the Bond Legislation.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF PARKERSBURG

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.25.12
686870.00026

5799669

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see attached)

Huntington

Huntington Wealth Advisors
900 Lee Street - 2nd Floor | WE3013 | Charleston, West Virginia 25301

STATEMENT OF REGISTRAR'S FEES
Invoice Date May 23, 2012

The City of Parkersburg
Account Number 6089001809

The City of Parkersburg
Combined Waterworks and Sewerage
System Revenue Bonds, Series 2012 B
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR May, 2012

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

® and Huntington® are federally registered service marks of Huntington Bancshares Incorporated.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/20/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Reagle & Padden, Inc.
200 Star Avenue, Suite 210
Parkersburg, WV 26101

CONTACT NAME: Kathy McVey
PHONE (A/C, No, Ext): (304) 422-8476 FAX (A/C, No): (304) 428-7374
E-MAIL ADDRESS: kathy@reagle-padden.com
PRODUCER CUSTOMER ID #: 00001723

INSURED

Parkersburg Utility Board
125 - 19th Street
Parkersburg, WV 26101

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Cincinnati Insurance Co.	10677
INSURER B: Professional Governmental Und.	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL1242002325 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR			UPP0008484	4/1/2012	4/1/2013	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 5,000
	X Employment Prac Liab.			$3,000,000 Limit			PERSONAL & ADV INJURY	$ 1,000,000
B	X Public Officials Liab.			$3,000,000 Limit			GENERAL AGGREGATE	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			UPP0008484	4/1/2012	4/1/2013	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
							Medical payments	$ 1,000
							Uninsured motorist combined	$ 250,000
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE			UPP0008484	4/1/2012	4/1/2013	EACH OCCURRENCE	$ 4,000,000
							AGGREGATE	$ 4,000,000
	DEDUCTIBLE RETENTION $							$
								$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N/A If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Property - Special Perils including theft			UPP0008484	4/1/2012	4/1/2013	Blanket Buidling & Contents Limit: Agreed Amount	Per Statement of Values

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The West Virginia Water Development Authority is listed as an Additional Insured.

CERTIFICATE HOLDER

(304) 353-8180

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Kathy McVey/KATHY Kathy B. McVey

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west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street S.E.
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

December 20, 2011

Mr. Eric Bennett, Manager
Parkersburg Utility Board
125 Nineteenth Street
Parkersburg, WV 26101

RE: Parkersburg Utility Board
First Ave. PS and Agnes St. PS -
Force Main Improvements
Plans & Specifications Approval
SRF No. C-544420-02

Dear Mr. Bennett:

The plans and specifications for the above portion of the referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact David Byrd at (304) 926-0499, ext. 1593.

Sincerely,

Katheryn D. Emery, P.E.
Program Manager
Clean Water SRF Program

KE/db

cc: Eric Vieth, P.E., Strand Associates

OWR Permit Details

(1)OWR Permit	
PERMITTEE	PARKERSBURG UTILITY BD
DEP OFFICE	OWR
PERMIT ID	WV0023213
ISSUE/REISSUE DATE	04/22/08
EXPIRATION DATE	04/21/13
FACILITY NAME	PARKERSBURG UTILITY BD
DESCRIPTION	
No. of CUSTOMERS	15569
DISTURBED ACRES	
SLUDGE TONNAGE	
DESIGN FLOW(MGD)	15.500000
AVERAGE FLOW(MGD)	
MAJOR FACILITY	Y
EXTENSION DATE	

(1) County / Quad	
County: Wood	Quad: PARKERSBURG

(6) Inspectable Units	
INSPECTABLE UNIT CODE	TYPE
ENTIRE	Entire Default
001	Outlet
002	Outlet
003	Outlet
004	Outlet
S01	Sludge

(6) Permit Geography		
INSPECTABLE UNIT CODE:	001	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 17'3.0000"	
LONGITUDE:	81° 33'40.0000"	
COUNTY:	Wood	
INSPECTABLE UNIT CODE:	002	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 16'58.0000"	

LONGITUDE:	81° 33'23.0000"	
COUNTY:	Wood	
INSPECTABLE UNIT CODE:	003	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 16'52.0000"	
LONGITUDE:	81° 33'22.0000"	
COUNTY:	Wood	
INSPECTABLE UNIT CODE:	004	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 16'50.0000"	
LONGITUDE:	81° 33'22.0000"	
COUNTY:	Wood	
INSPECTABLE UNIT CODE:	ENTIRE	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 17'3.0000"	
LONGITUDE:	81° 33'40.0000"	
COUNTY:	Wood	
INSPECTABLE UNIT CODE:	S01	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 17'3.0000"	
LONGITUDE:	81° 33'40.0000"	
COUNTY:	Wood	
USWRC WATERSHED:	Middle Ohio River 2	
SCS WATERSHED:	Pond Run	
USWRC WATERSHED:	Middle Ohio River 2	
SCS WATERSHED:	Pond Run	
USWRC WATERSHED:	Middle Ohio River 2	
SCS WATERSHED:	Pond Run	

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2012

May 23, 2012

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Smith Cochran & Hicks, the independent certified public accountant and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program) (the "Series 2012 A Bonds"), in the original aggregate principal amount of $5,731,700, by The City of Parkersburg (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000 (the "Series 2003 A Bonds"); (ii) 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 (the "Series 2003 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"); (v) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000 (the "Series 2006 D Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,175,342 (the "Series 2006 E Bonds"); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), dated March 16, 2011, issued in the original aggregate principal amount of $5,800,000 (the "Series 2011 A Bonds"), (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Sheila A. Miller
Its: Authorized Representative

686870.00026

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 414-6500 / fax (304) 414-0865
www.wvwda.org

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **May 23, 2012**

Re: **The City of Parkersburg**
Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia SRF Program)

---

1. DISBURSEMENTS TO THE CITY OF PARKERSBURG

Payor:	West Virginia Department of Environmental Protection
Source:	Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
Amount:	$487,967
Form:	Wire Transfer
Payee:	The City of Parkersburg, 125 19th St., Parkersburg, WV 26101
Bank:	United Bank, Inc., 514 Market Street, Parkersburg, WV 26101
Contact:	Carole Allen (304) 424-8800
Acct. No.:	0063928170
ABA:	051900395
Account:	Series 2012 A Bonds Construction Trust Fund

686870.00026

DEP PAYMENT REQUISITION FORM

Rev 04/07/09

RECEIVED
MAY 16 2012
SRF PROGRAM

1. LOAN RECIPIENT/VENDOR:
   NAME: City of Parkersburg Utilty Board
   ADDRESS: 125 19th Street
   Parkersburg, WV 26101
   FEIN: 55-0750772
   DUNS: 010448546

2. SRF #: C-544420 -02
3. INVOICE NUMBER: 1
4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)
   FROM: (MO/DAY/YR) 1/1/10 TO: (MO/DAY/YR) 5/1/12
5. % of PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET (1)	B) PREVIOUS APPROVED	C) THIS REQUEST (1)	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY SRF	PF/G
1) CONSTRUCTION	4,910,926.~~50~~		0.00	0.00		
2) EQUIPMENT	0.00		0.00	0.00		
3) ENGINEERING						
a. Planning	0.00		0.00	0.00		
b. Design	453,530.00		453,46~~6.53~~7	453,46~~6.53~~7	453,467	
c. Const Basic	44,65~~3.50~~4		0.00	0.00		
d. Spec Services	0.00		0.00	0.00		
e. Inspection	0.00		0.00	0.00		
4) LEGAL	0.00		0.00	0.00		
5) ACCOUNTING	0.00		0.00	0.00		
6) ADMINISTRATIVE	0.00		0.00	0.00		
7) CONTINGENCY	288,090.00		0.00	0.00		
8) LOAN REPAYMENT	0.00		0.00	0.00		
9) RESERVE FUND	0.00		0.00	0.00		
10) CLOSING COSTS	34,500.00		34,500.00	34,500.00	34,500	
11) SUBTOTAL	5,731,700.00	0.00	487,96~~6.53~~7	487,96~~6.53~~7	487,967	
12) LESS PREVIOUSLY PAID				0.00	-00	
13) INVOICE AMOUNT				487,96~~6.53~~7	487,967	

14) [signature] 5/9/2012	15) [signature] 5/9/2012
AUTHORIZED SIGNATURE DATE	PERSON PREPARING FORM SIGNATURE DATE
Robert Newell, Chairman	Eric Bennett, General Manager
TYPED OR PRINTED NAME AND TITLE	TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WV DEPARTMENT OF ENVIRONMENTAL PROTECTION

[signature] 5/17/12	[signature] 5/17/12
PROJECT REVIEWER DATE	AUTHORIZED OFFICER DATE

(1) See payment approval letter.

The items listed hereon conform to specification, were received and are approved for payment:

Date: 5/17/12 Signed: [signature]

Comm #	SA PO #	PO#	~~SWG Name:~~
C376212			(1242002)
		OE#	SCO#
CLASS #	LEASE #	FEIN/SSN 55-0750772	OFF APP Date: JLC 5-17-12
		FIMS VENDOR #: 529852	

	FUND	FY	ORG	ACT	OBJ CODE	GRANT #	PROJECT #	AMOUNT
Base	3329	12	9455	099	0128		12459	$ 406,477
PF/G	3329		9457	099	0128			
Match	3329	12	9455	099	083		12459	61,490
PF/G	3329		9457	099	083			
Repay	3329		9455	099	083			
							TOTAL	$467,967

INSTRUCTIONS:

PAYMENT DATA

ATTACH ALL COPIES OF PROJECT INVOICES WHICH DOCUMENT THIS SPECIFIC PAYMENT REQUEST.

ITEM	ENTRY
1.	PROVIDE THE LEGAL NAME OF THE RECIPIENT ORGANIZATION, MAILING ADDRESS, FEIN NUMBER, AND DUNS NUMBER.
2.	FILL IN PROJECT NUMBER ASSIGNED BY THE SRF PROGRAM.
3.	INVOICE NUMBERS SHOULD BE IN SEQUENTIAL ORDER BEGINNING WITH REQUEST #1.
4.	THIS SHOULD REFLECT THE TIME FRAME COSTS COVERED BY PAYMENT REQUISITION.
5.	THE PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETED, INCLUDING STORED MATERIALS.

CLASSIFICATION

COLUMNS	ENTRY
A	SHOW THE SRF APPROVED BUDGET BY LINE ITEM.
B	SHOW THE CUMULATIVE TOTAL COST PREVIOUSLY APPROVED FOR REIMBURSEMENT. (THIS WILL BE COLUMN E OF THE PRIOR INVOICE)
C	SHOW AMOUNT REQUESTED FOR THIS REIMBURSEMENT REQUEST (COST INCURRED SINCE LAST INVOICE)
D	THE SUM OF COLUMNS B & C.
E	**STATE AGENCY USE ONLY - DO NOT COMPLETE**
LINES 12 + 13	**DO NOT COMPLETE**

SIGNATURE BLOCK

ITEM	ENTRY
14.	THE AUTHORIZED REPRESENTATIVE MUST SIGN AND DATE THREE ORIGINAL FORMS OF EACH PAYMENT REQUEST. THE INVOICE DATE CAN BE NO SOONER THAN THE LAST DAY OF THE PERIOD COVERED. (BLOCK 4)
15.	THE PERSON WHO PREPARES THE PAYMENT REQUEST MUST SIGN AND DATE THREE ORIGINAL FORMS.

SUBMIT PAYMENT REQUEST FORM IN TRIPLICATE
AND ONE SET OF INVOICES TO
DEP, DIVISION OF WATER & WASTE MANAGEMENT
STATE REVOLVING FUND PROGRAM
601 57TH STREET, S.E.
CHARLESTON, WV 25304-2345

SWEEP RESOLUTION

WHEREAS, the Parkersburg Utility Board (the "PUB") is a governmental body and political subdivision of West Virginia;

WHEREAS, the City of Parkersburg has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, PUB makes monthly debt service payments on the current Bonds by electronic funds transfer to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC currently accepts such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, PUB finds and determines that it is in the best interest of the PUB, its customers and the owners of the Bonds that the monthly debt service and reserve fund payments for the Series 2012 A Bond issue also be made by electronic transfer with the State Treasurer **sweeping** the PUB's accounts.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1.) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2.) The Chairman and Comptroller of the Parkersburg Utility Board are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3.) This resolution shall be effective immediately upon adoption.

Adopted this 25th day of April, 2012.

Chairman

Comptroller

2003 A
2003 B

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

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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.

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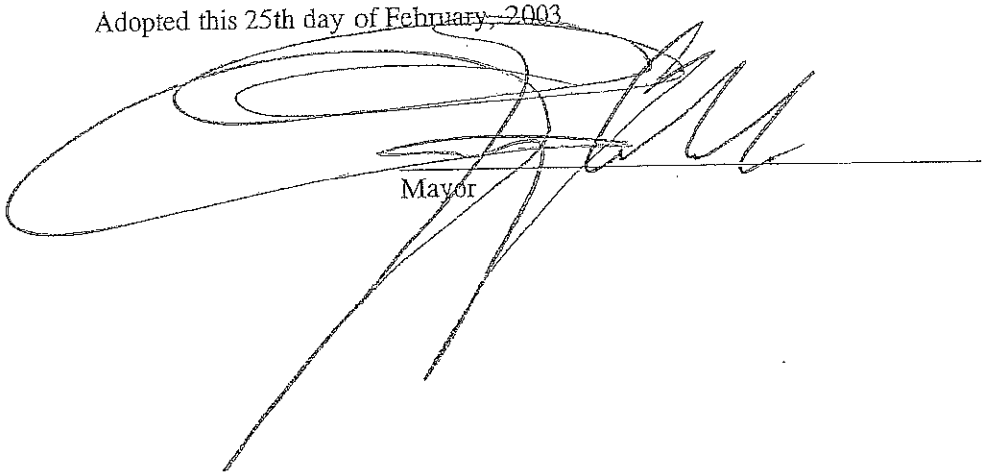
Adopted this 25th day of February, 2003



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

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	Debt Service
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

CHS830471.1

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	Debt Service
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

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]

SPECIMEN

Mayor

ATTEST:

Connie Shamblen

SPECIMEN

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	Annual Debt Service
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

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

2003D
2003E

THE CITY OF PARKERSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE 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 D (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $6,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

THE COUNCIL OF THE CITY OF PARKERSBURG HEREBY ORDAINS:

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 2 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 acquired and constructed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of lining approximately 18,400 l.f. of sewer mains of various sizes, replacement of approximately 7,000 l.f. of sewer mains of various sizes, and constructing approximately 6,500 l.f. of 24 inch force main and approximately 600 l.f. of 20 inch force main, 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 (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 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 West Virginia Water Pollution Control Revolving Fund Program (the "SRF 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 $8,000,000 in two or more series (collectively, the "Series 2003 Bonds"), initially planned to be (i) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $4,000,000 (the "Series 2003 D Bonds"); and (ii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), in the aggregate principal amount of not more than $6,000,000 (the "Series 2003 E Bonds"), to permanently finance the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 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 including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 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 D 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 E Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), all in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. 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 (i) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000, (ii) the 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, (iii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated March 26, 2003, issued in the original aggregate principal amount of $1,500,000, and (iv) 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 (collectively, 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) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the registered owners of the Prior Bonds to the issuance of the Series 2003 Bonds on a parity with the Prior Bonds.

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 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 West Virginia Water Pollution Control Revolving Fund Program 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 (1) have expired prior to the issuance of the Series 2003 Bonds; (2) such final order will not be subject to appeal; or (3) the time for appeal of such order shall not have expired, however, all parties to such case before the Public Service Commission of West Virginia shall have stated that they will not appeal such order.

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 2 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 Council and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Burgess & Niple, Limited, Parkersburg, West Virginia and Strand Associates, Inc., Madison, Wisconsin, 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.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such by resolution of the Board.

"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 D Bonds from the Issuer by the Authority and the bond purchase agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2003 E 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 D Bonds Reserve Account or the Series 2003 E 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, the SRF Administrative Fee, 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, the Council, and the DEP.

"Prior Bonds" means, collectively, the Issuer's (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000, (ii) 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, (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated March 26, 2003, issued in the original aggregate principal amount of $1,500,000, and (iv) 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 Bonds Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds.

"Prior Bonds Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds.

"Prior Notes" means, collectively, the Issuer's (i) Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 A, dated June 28, 2001, in the original principal amount of $524,502.57, (ii) Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 B, dated June 28, 2001, in the original principal amount of $124,155.70, (iii) Combined Waterworks and Sewerage System Subordinate Notes, Series 2002 A, dated January 24, 2002, in the original principal amount of $875,000, and (iv) Vehicle Lease, as herein defined.

"Prior Ordinance" means, collectively, the ordinances of the Issuer, as supplemented by the supplemental resolutions 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.

"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.

"Rebate Fund" means the Rebate Fund established by Section 5.01 hereof.

"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 2003 Bonds" means, collectively, the Series 2003 D Bonds and the Series 2003 E Bonds.

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

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

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

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

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

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

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

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

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

"Series 2003 E Bonds Sinking Fund" means the Series 2003 E 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.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2003 E Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 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 ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $8,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2003 D Bonds and the Series 2003 E 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, the Authority and the DEP. The cost of the Project is estimated not to exceed $8,000,000, of which up to $4,000,000 will be obtained from proceeds of the Series 2003 D Bonds and up to $6,000,000 will be obtained from proceeds of the Series 2003 E Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of 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 two series, each as a single bond, designated respectively as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund)", in the principal amount of not more than $4,000,000, and "Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program)," in the principal amount of not more than $6,000,000, 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 record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 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, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 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 Agreements; 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 D BOND)

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

No. DR-____ $_____

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 _____, 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

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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 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 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; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (3) 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 (THE "SERIES 2003 B BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 26, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,500,000 (THE "SERIES 2003 C BONDS"); AND (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED _____, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2003 E BONDS"). THE SERIES 1996 BONDS, THE SERIES 2003 A BONDS, THE

SERIES 2003 B BONDS AND THE SERIES 2003 C BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2003 E Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 D 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 D 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 Series 1996 Bonds are outstanding, and thereafter, 115% thereof; provided however, that, when the Series 1996 Bonds are no longer outstanding and so long as there exists in the Series 2003 D 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 E 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 D 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.

_____
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(a)	$		(s)	$	
(b)	$		(t)	$	
(c)	$		(u)	$	
(d)	$		(v)	$	
(e)	$		(w)	$	
(f)	$		(x)	$	
(g)	$		(y)	$	
(h)	$		(z)	$	
(i)	$		(aa)	$	
(j)	$		(bb)	$	
(k)	$		(cc)	$	
(l)	$		(dd)	$	
(m)	$		(ee)	$	
(n)	$		(ff)	$	
(o)	$		(gg)	$	
(p)	$		(hh)	$	
(q)	$		(ii)	$	
(r)	$		(jj)	$	

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 E BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2003 E
(WEST VIRGINIA SRF PROGRAM)

No. ER-_____ $_____

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, 20___, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of _____, _____, 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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority, and the DEP, dated _____, 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 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 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), 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; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (3) 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 (THE "SERIES 2003 B BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 26, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,500,000 (THE "SERIES 2003 C BONDS"); AND (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, ISSUED CURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2003 D BONDS"). THE SERIES 1996 BONDS, THE

SERIES 2003 A BONDS, THE SERIES 2003 B BONDS AND THE SERIES 2003 C BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2003 D Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 E 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 E 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 Series 1996 Bonds are outstanding, and thereafter 115% thereof; provided however, that, when the Series 1996 Bonds are no longer outstanding and so long as there exists in the Series 2003 E 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 D 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 E 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.

_____,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(a)	$		(s)	$	
(b)	$		(t)	$	
(c)	$		(u)	$	
(d)	$		(v)	$	
(e)	$		(w)	$	
(f)	$		(x)	$	
(g)	$		(y)	$	
(h)	$		(z)	$	
(i)	$		(aa)	$	
(j)	$		(bb)	$	
(k)	$		(cc)	$	
(l)	$		(dd)	$	
(m)	$		(ee)	$	
(n)	$		(ff)	$	
(o)	$		(gg)	$	
(p)	$		(hh)	$	
(q)	$		(ii)	$	
(r)	$		(jj)	$	

TOTAL $

(KJT 2

(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 acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2003 D 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. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2003 E Bonds, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Rebate Fund;

(4) Series 2003 D Bonds Construction Trust Fund; and

(5) Series 2003 E Bonds Construction Trust Fund.

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

(1) Series 2003 D Bonds Sinking Fund;

(2) Series 2003 D Bonds Reserve Account;

(3) Series 2003 E Bonds Sinking Fund; and

(4) Series 2003 E 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 Funds, 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 D Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2003 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2003 D 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 D 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; and (iii) commencing 3 months prior to the first date of payment of interest on the Series 2003 E Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2003 E Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2003 E 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 E 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 Funds, 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 D Bonds, for deposit in the Series 2003 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2003 D 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 D 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; and (iii) commencing 3 months prior to the first date of

payment of principal of the Series 2003 E Bonds, for deposit in the Series 2003 E Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2003 E 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 E 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 Accounts, 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 D Bonds, if not fully funded upon issuance of the Series 2003 D Bonds, for deposit in the Series 2003 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 D Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 D 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 D Bonds Reserve Requirement; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2003 E Bonds, if not fully funded upon issuance of the Series 2003 E Bonds, for deposit in the Series 2003 E Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 E Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 E 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 E 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 Series 1996 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 D Bonds Sinking Fund and Series 2003 E 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 D Bonds Reserve Account and the Series 2003 E Bonds Reserve Account shall be used only for the purposes 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 D Bonds Sinking Fund and the Series 2003 E Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2003 D Bonds Sinking Fund, the Series 2003 D Bonds Reserve Account, the Series 2003 E Bonds Sinking Fund and the Series 2003 E Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the respective Bond Construction Trust Funds, 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 D Bonds Reserve Account or the Series 2003 E 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 D Bonds Sinking Fund, the Series 2003 D Bonds Reserve Account, the Series 2003 E Bonds Sinking Fund or the Series 2003 E 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 D Bonds, and the Series 2003 E 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 D Bonds Sinking Fund, the Series 2003 D Bonds Reserve Account, the Series 2003 E Bonds Sinking Fund and the Series 2003 E 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 D Bonds Sinking Fund, the Series 2003 D Bonds Reserve Account, the Series 2003 E Bonds Sinking Fund and the Series 2003 E Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2003 D Bonds Sinking Fund, the Series 2003 D Bonds Reserve Account, the Series 2003 E Bonds Sinking Fund and the Series 2003 E 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. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement for the Series 2003 E Bonds.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the 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 D Bonds, there shall first be deposited with the Commission in the Series 2003 D 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 D Bonds for the period commencing on the date of issuance of the Series 2003 D 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 D Bonds, there shall be deposited with the Commission in the Series 2003 D Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2003 D Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2003 D Bonds, such monies shall be deposited with the Depository Bank in the Series 2003 D 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 D Bonds.

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

F. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2003 E Bonds, such monies shall be deposited with the Depository Bank in the Series 2003 E 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 E Bonds.

G. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2003 D Bonds shall be expended as approved by the Council and any remaining proceeds of the Series 2003 E Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds.

A. The Board 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. Invoices for which repayment from the 2003 D Bonds Construction Trust Fund will be sought must be first approved by the Board.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003 D Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by the Chairman of Board or the Manager 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 D Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Board.

The Issuer shall expend all proceeds of the Series 2003 D 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. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the

Series 2003 E Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the 2003 E Bonds Construction Trust Fund will be sought must be first approved by the Board.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003E Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

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

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 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, the DEP 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 D Bonds Sinking Fund and the Series 2003 E 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 D Bonds and the Series 2003 E 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 same fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, 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, the Council and the DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior 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, the Council and the DEP and without complying

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

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

So long as the Series 1996 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 Series 1996 Bonds then outstanding;

(2) Any additional Parity Bonds theretofore issued; and

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

When the Series 1996 Bonds are no longer outstanding and so long as the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 C Bonds, Series 2003 D Bonds, or Series 2003 E 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 the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

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

All covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and 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 2

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, the Council and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Board shall submit to the Authority, the Council, and the DEP such documents and information as they may reasonably require in connection with the design, acquisition, construction and installation of the Project; the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Board shall permit the Authority, the Council, and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The 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 and 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 or the Board 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 Board. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the 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 the Governing Body shall direct.

The Board shall file with the Authority, the Council and the DEP, 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, the Council and the DEP or any other original purchaser of the Series 2003 Bonds. Such audit report submitted to the Authority, the Council, and the DEP 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 Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement for the Series 2003 E Bonds or any Exhibit thereto or as promulgated from time to time.

The Issuer shall permit the Authority, the Council or the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority, the Council and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority, the Council and the DEP 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, the Council and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the 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 the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP, the Council and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the 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, the DEP, 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, the DEP and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority, the DEP 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, the Council and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the DEP, 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 require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Board shall notify the DEP in writing of such receipt. The Board shall submit a "Performance Certificate," a form of which is attached to the Loan Agreements as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Board shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Board shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Board shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Board shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

Section 7.13. Enforcement of Collections. The 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, the DEP and the Council. In the event the Loan Agreements so require, such insurance shall be made payable to the order of the Authority, the DEP, 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 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, except as otherwise provided in Section 1.02(I).

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 and the DEP 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 DEP, 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 acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council and the DEP for written approval. The Issuer shall obtain the written approval of the Council and the DEP before expending any proceeds of the Series 2003 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 and the DEP before expending any proceeds of the Series 2003 Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 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 Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Board in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Board, at least once each year, or more often as reasonably requested by the Board, a summary of such funds, accounts and investment earnings. The Board 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 Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 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 or the Board 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 OF BONDS

Section 10.01. Payment of Series 2003 D Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2003 D 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 D 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 D Bonds from gross income for federal income tax purposes.

Section 10.02. Payment of Series 2003 E Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2003 E 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 E 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 E Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 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: May 27, 2003

Passed on Second Reading: June 10, 2003

Passed on Final Reading Following Public Hearing: June 24, 2003

Mayor

APPROVED AND CORRECT AS TO FORM:

Joseph T. Santer
CITY ATTORNEY

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of THE CITY OF PARKERSBURG on the 24th day of June, 2003.

Dated: August 4, 2003.

[SEAL]

Connie Sharpe
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 D
(West Virginia Infrastructure Fund)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2003 E
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM) 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 June 24, 2003 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE 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 D (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $6,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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 D (West Virginia Infrastructure Fund) and Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), of the Issuer (collectively, the "Series 2003 Bonds" and individually, the "Series 2003 D Bonds," and the "Series 2003 E Bonds"), in the respective aggregate principal amounts not to exceed $4,000,000 and $6,000,000, and has authorized the execution and delivery of a loan agreement relating to the Series 2003 D 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 bond purchase agreement relating to the Series 2003 E Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP") (collectively, the "Loan Agreements"), all in accordance with Chapter 8, Article 20, Chapter 22C, Article 2, 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. Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered DR-1, in the original aggregate principal amount of $926,000. The Series 2003 D Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2024, and shall bear interest at the rate of 3% per annum. The principal of and the interest on the Series 2003 D Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2004, and ending September 1, 2024, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2003 D Bonds and incorporated in and made a part of the Series 2003 D Bonds. The Series 2003 D 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 D Bonds.

B. Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered ER-1, in the original aggregate principal amount of $4,326,705. The Series 2003 E Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2024, shall bear interest at the rate of 2% per annum. The principal of and interest on of the Series 2003 E Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2005, and maturing December 1, 2024, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2003 E Bonds and incorporated in and made a part of the Series 2003 E Bonds. The Series 2003 E Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement for the Series 2003 E Bonds, as long as the Authority shall be the registered owner of the Series 2003 E Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2003 E Bonds set forth in "Schedule Y" attached to the Loan Agreement.

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 applications to the Council, the DEP, and the Authority. The price of the Series 2003 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2003 Bonds shall be advanced from time to time as requisitioned by the Issuer.

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 People's Bank, Parkersburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

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

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

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

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

Section 11. The balance of the proceeds of the Series 2003 D Bonds and the Series 2003 E 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 August 4, 2003, to the Authority pursuant to the Loan Agreements.

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 and the Reserve Accounts for the Series 2003 Bonds, 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. This Supplemental Resolution shall be effective immediately following adoption hereof.

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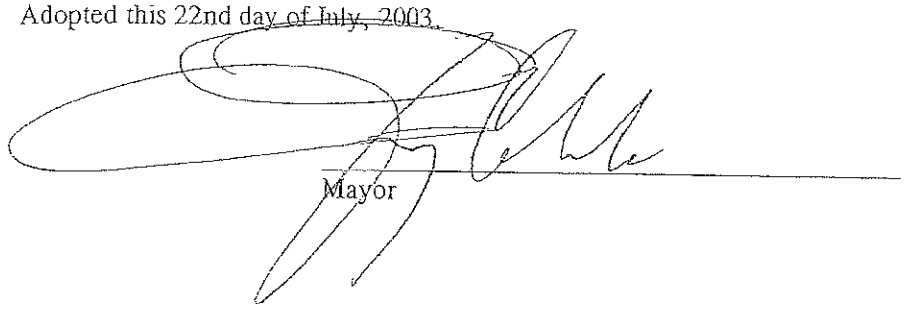
Adopted this 22nd day of July, 2003.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Parkersburg on the 22nd day of July, 2003.

Dated: August 4, 2003.

[SEAL]

Connie Shaffer
City Clerk

07/22/03
686870.00010

SPECIMEN

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

No. DR-1 $926,000

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 NINE HUNDRED TWENTY-SIX THOUSAND DOLLARS ($926,000), 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 December 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 December 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 The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and 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 July 31, 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 sewerage 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 June 24, 2003, and a Supplemental Resolution duly adopted by the Issuer on July 22, 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; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (3) 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 (THE "SERIES 2003 B BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 26, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,500,000 (THE "SERIES 2003 C BONDS"); AND (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"). THE SERIES 1996 BONDS, THE SERIES 2003 A BONDS, THE SERIES 2003 B BONDS AND THE SERIES 2003 C BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and

the Series 2003 E Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 D 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 D 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 Series 1996 Bonds are outstanding, and thereafter, 115% thereof; provided however, that, when the Series 1996 Bonds are no longer outstanding and so long as there exists in the Series 2003 D 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 E 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.

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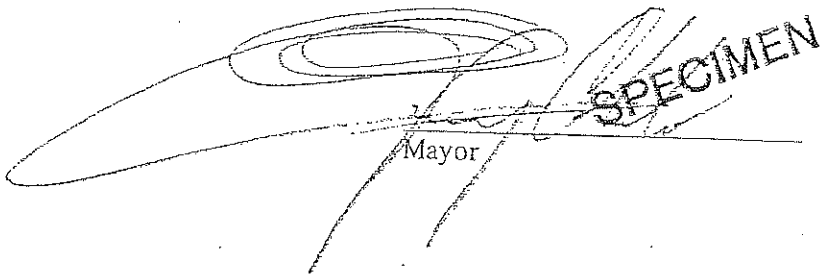
IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated August 4, 2003.

[SEAL]



SPECIMEN

Mayor

ATTEST:

Connie Shaw

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 394,393	August 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

City of Parkersburg
Loan of $926,000
20 Years, 3.0% Interest Rate
Closing Date: August 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/2003	-	-	-	-
12/01/2003	-	-	-	-
3/01/2004	-	-	-	-
6/01/2004	-	-	-	-
9/01/2004	-	-	-	-
12/01/2004	8,489.76	3.000%	6,945.00	15,434.76
3/01/2005	8,553.44	3.000%	6,881.33	15,434.77
6/01/2005	8,617.59	3.000%	6,817.18	15,434.77
9/01/2005	8,682.22	3.000%	6,752.54	15,434.76
12/01/2005	8,747.34	3.000%	6,687.43	15,434.77
3/01/2006	8,812.94	3.000%	6,621.82	15,434.76
6/01/2006	8,879.04	3.000%	6,555.73	15,434.77
9/01/2006	8,945.63	3.000%	6,489.13	15,434.76
12/01/2006	9,012.72	3.000%	6,422.04	15,434.76
3/01/2007	9,080.32	3.000%	6,354.44	15,434.76
6/01/2007	9,148.42	3.000%	6,286.34	15,434.76
9/01/2007	9,217.03	3.000%	6,217.73	15,434.76
12/01/2007	9,286.16	3.000%	6,148.60	15,434.76
3/01/2008	9,355.81	3.000%	6,078.96	15,434.77
6/01/2008	9,425.98	3.000%	6,008.79	15,434.77
9/01/2008	9,496.67	3.000%	5,938.09	15,434.76
12/01/2008	9,567.90	3.000%	5,866.87	15,434.77
3/01/2009	9,639.66	3.000%	5,795.11	15,434.77
6/01/2009	9,711.95	3.000%	5,722.81	15,434.76
9/01/2009	9,784.79	3.000%	5,649.97	15,434.76
12/01/2009	9,858.18	3.000%	5,576.58	15,434.76
3/01/2010	9,932.12	3.000%	5,502.65	15,434.77
6/01/2010	10,006.61	3.000%	5,428.16	15,434.77
9/01/2010	10,081.66	3.000%	5,353.11	15,434.77
12/01/2010	10,157.27	3.000%	5,277.50	15,434.77
3/01/2011	10,233.45	3.000%	5,201.32	15,434.77
6/01/2011	10,310.20	3.000%	5,124.57	15,434.77
9/01/2011	10,387.53	3.000%	5,047.24	15,434.77
12/01/2011	10,465.43	3.000%	4,969.33	15,434.76
3/01/2012	10,543.92	3.000%	4,890.84	15,434.76
6/01/2012	10,623.00	3.000%	4,811.76	15,434.76
9/01/2012	10,702.67	3.000%	4,732.09	15,434.76
12/01/2012	10,782.94	3.000%	4,651.82	15,434.76
3/01/2013	10,863.82	3.000%	4,570.95	15,434.77
6/01/2013	10,945.29	3.000%	4,489.47	15,434.76
9/01/2013	11,027.38	3.000%	4,407.38	15,434.76
12/01/2013	11,110.09	3.000%	4,324.67	15,434.76
3/01/2014	11,193.42	3.000%	4,241.35	15,434.77
6/01/2014	11,277.37	3.000%	4,157.40	15,434.77
9/01/2014	11,361.95	3.000%	4,072.82	15,434.77
12/01/2014	11,447.16	3.000%	3,987.60	15,434.76
3/01/2015	11,533.01	3.000%	3,901.75	15,434.76

City of Parkersburg
Loan of $926,000
20 Years, 3.0% Interest Rate
Closing Date: August 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2015	11,619.51	3.000%	3,815.25	15,434.76
9/01/2015	11,706.66	3.000%	3,728.10	15,434.76
12/01/2015	11,794.46	3.000%	3,640.30	15,434.76
3/01/2016	11,882.92	3.000%	3,551.85	15,434.77
6/01/2016	11,972.04	3.000%	3,462.72	15,434.76
9/01/2016	12,061.83	3.000%	3,372.93	15,434.76
12/01/2016	12,152.29	3.000%	3,282.47	15,434.76
3/01/2017	12,243.44	3.000%	3,191.33	15,434.77
6/01/2017	12,335.26	3.000%	3,099.50	15,434.76
9/01/2017	12,427.78	3.000%	3,006.99	15,434.77
12/01/2017	12,520.98	3.000%	2,913.78	15,434.76
3/01/2018	12,614.89	3.000%	2,819.87	15,434.76
6/01/2018	12,709.50	3.000%	2,725.26	15,434.76
9/01/2018	12,804.82	3.000%	2,629.94	15,434.76
12/01/2018	12,900.86	3.000%	2,533.90	15,434.76
3/01/2019	12,997.62	3.000%	2,437.15	15,434.77
6/01/2019	13,095.10	3.000%	2,339.66	15,434.76
9/01/2019	13,193.31	3.000%	2,241.45	15,434.76
12/01/2019	13,292.26	3.000%	2,142.50	15,434.76
3/01/2020	13,391.95	3.000%	2,042.81	15,434.76
6/01/2020	13,492.39	3.000%	1,942.37	15,434.76
9/01/2020	13,593.59	3.000%	1,841.18	15,434.77
12/01/2020	13,695.54	3.000%	1,739.23	15,434.77
3/01/2021	13,798.25	3.000%	1,636.51	15,434.76
6/01/2021	13,901.74	3.000%	1,533.02	15,434.76
9/01/2021	14,006.00	3.000%	1,428.76	15,434.76
12/01/2021	14,111.05	3.000%	1,323.71	15,434.76
3/01/2022	14,216.88	3.000%	1,217.88	15,434.76
6/01/2022	14,323.51	3.000%	1,111.25	15,434.76
9/01/2022	14,430.94	3.000%	1,003.83	15,434.77
12/01/2022	14,539.17	3.000%	895.60	15,434.77
3/01/2023	14,648.21	3.000%	786.55	15,434.76
6/01/2023	14,758.07	3.000%	676.69	15,434.76
9/01/2023	14,868.76	3.000%	566.01	15,434.77
12/01/2023	14,980.27	3.000%	454.49	15,434.76
3/01/2024	15,092.63	3.000%	342.14	15,434.77
6/01/2024	15,205.82	3.000%	228.94	15,434.76
9/01/2024	15,319.86	3.000%	114.90	15,434.76
Total	926,000.00	-	308,781.09	1,234,781.09

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: _____, _____.

_____

SPECIMEN

In the presence of:

_____

07/31/03
68687000010

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 SRF PROGRAM)

No. ER-1

$4,326,705

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 THREE HUNDRED TWENTY-SIX THOUSAND SEVEN HUNDRED FIVE DOLLARS ($4,326,705), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2005, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2005, as set forth in EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the loan agreement by and among the Issuer, the Authority and the DEP, dated July 22, 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 sewerage 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 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on June 24, 2003, and a Supplemental Resolution duly adopted by the Issuer on July 22, 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; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (3) 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 (THE "SERIES 2003 B BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 26, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,500,000 (THE "SERIES 2003 C BONDS"); AND (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"). THE SERIES 1996 BONDS, THE SERIES 2003 A BONDS, THE SERIES 2003 B BONDS AND THE SERIES 2003 C BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2003 D Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 E 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 E 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 Series 1996 Bonds are outstanding, and thereafter, 115% thereof; provided however, that, when the Series 1996 Bonds are no longer outstanding and so long as there exists in the Series 2003 E 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 D 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.

[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 August 4, 2003.

[SEAL]

SPECIMEN

Mayor

ATTEST:

Connie Shaffer

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

A
B
11
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EXHIBIT B

City of Parkersburg

Loan of $4,326,705
20 Years, 2% Interest Rates, 1% Administrative Fee
Closing Date: August 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/2003	-	-	-	-
12/01/2003	-	-	-	-
3/01/2004	-	-	-	-
6/01/2004	-	-	-	-
9/01/2004	-	-	-	-
12/01/2004	-	-	-	-
3/01/2005	44,120.00	2.000%	21,633.53	65,753.53
6/01/2005	44,340.00	2.000%	21,412.93	65,752.93
9/01/2005	44,562.00	2.000%	21,191.23	65,753.23
12/01/2005	44,785.00	2.000%	20,968.42	65,753.42
3/01/2006	45,009.00	2.000%	20,744.49	65,753.49
6/01/2006	45,234.00	2.000%	20,519.45	65,753.45
9/01/2006	45,460.00	2.000%	20,293.28	65,753.28
12/01/2006	45,687.00	2.000%	20,065.98	65,752.98
3/01/2007	45,916.00	2.000%	19,837.54	65,753.54
6/01/2007	46,145.00	2.000%	19,607.96	65,752.96
9/01/2007	46,376.00	2.000%	19,377.24	65,753.24
12/01/2007	46,608.00	2.000%	19,145.36	65,753.36
3/01/2008	46,841.00	2.000%	18,912.32	65,753.32
6/01/2008	47,075.00	2.000%	18,678.11	65,753.11
9/01/2008	47,310.00	2.000%	18,442.74	65,752.74
12/01/2008	47,547.00	2.000%	18,206.19	65,753.19
3/01/2009	47,785.00	2.000%	17,968.45	65,753.45
6/01/2009	48,024.00	2.000%	17,729.53	65,753.53
9/01/2009	48,264.00	2.000%	17,489.41	65,753.41
12/01/2009	48,505.00	2.000%	17,248.09	65,753.09
3/01/2010	48,747.00	2.000%	17,005.56	65,752.56
6/01/2010	48,991.00	2.000%	16,761.83	65,752.83
9/01/2010	49,236.00	2.000%	16,516.87	65,752.87
12/01/2010	49,482.00	2.000%	16,270.69	65,752.69
3/01/2011	49,730.00	2.000%	16,023.28	65,753.28
6/01/2011	49,978.00	2.000%	15,774.63	65,752.63
9/01/2011	50,228.00	2.000%	15,524.74	65,752.74
12/01/2011	50,479.00	2.000%	15,273.60	65,752.60
3/01/2012	50,732.00	2.000%	15,021.21	65,753.21
6/01/2012	50,986.00	2.000%	14,767.55	65,753.55
9/01/2012	51,240.00	2.000%	14,512.62	65,752.62
12/01/2012	51,497.00	2.000%	14,256.42	65,753.42
3/01/2013	51,754.00	2.000%	13,998.93	65,752.93
6/01/2013	52,013.00	2.000%	13,740.16	65,753.16
9/01/2013	52,273.00	2.000%	13,480.10	65,753.10
12/01/2013	52,534.00	2.000%	13,218.73	65,752.73
3/01/2014	52,797.00	2.000%	12,956.06	65,753.06
6/01/2014	53,061.00	2.000%	12,692.08	65,753.08
9/01/2014	53,326.00	2.000%	12,426.77	65,752.77
12/01/2014	53,593.00	2.000%	12,160.14	65,753.14
3/01/2015	53,861.00	2.000%	11,892.18	65,753.18

City of Parkersburg
Loan of $4,326,705
20 Years, 2% Interest Rates, 1% Administrative Fee
Closing Date: August 4, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2015	54,130.00	2.000%	11,622.87	65,752.87
9/01/2015	54,401.00	2.000%	11,352.22	65,753.22
12/01/2015	54,673.00	2.000%	11,080.22	65,753.22
3/01/2016	54,946.00	2.000%	10,806.85	65,752.85
6/01/2016	55,221.00	2.000%	10,532.12	65,753.12
9/01/2016	55,497.00	2.000%	10,256.02	65,753.02
12/01/2016	55,775.00	2.000%	9,978.53	65,753.53
3/01/2017	56,053.00	2.000%	9,699.66	65,752.66
6/01/2017	56,334.00	2.000%	9,419.39	65,753.39
9/01/2017	56,615.00	2.000%	9,137.72	65,752.72
12/01/2017	56,898.00	2.000%	8,854.65	65,752.65
3/01/2018	57,183.00	2.000%	8,570.16	65,753.16
6/01/2018	57,469.00	2.000%	8,284.24	65,753.24
9/01/2018	57,756.00	2.000%	7,996.90	65,752.90
12/01/2018	58,045.00	2.000%	7,708.12	65,753.12
3/01/2019	58,335.00	2.000%	7,417.89	65,752.89
6/01/2019	58,627.00	2.000%	7,126.22	65,753.22
9/01/2019	58,920.00	2.000%	6,833.08	65,753.08
12/01/2019	59,215.00	2.000%	6,538.48	65,753.48
3/01/2020	59,511.00	2.000%	6,242.41	65,753.41
6/01/2020	59,808.00	2.000%	5,944.85	65,752.85
9/01/2020	60,107.00	2.000%	5,645.81	65,752.81
12/01/2020	60,408.00	2.000%	5,345.28	65,753.28
3/01/2021	60,710.00	2.000%	5,043.24	65,753.24
6/01/2021	61,013.00	2.000%	4,739.69	65,752.69
9/01/2021	61,318.00	2.000%	4,434.62	65,752.62
12/01/2021	61,625.00	2.000%	4,128.03	65,753.03
3/01/2022	61,933.00	2.000%	3,819.91	65,752.91
6/01/2022	62,243.00	2.000%	3,510.24	65,753.24
9/01/2022	62,554.00	2.000%	3,199.03	65,753.03
12/01/2022	62,867.00	2.000%	2,886.26	65,753.26
3/01/2023	63,181.00	2.000%	2,571.92	65,752.92
6/01/2023	63,497.00	2.000%	2,256.02	65,753.02
9/01/2023	63,815.00	2.000%	1,938.53	65,753.53
12/01/2023	64,134.00	2.000%	1,619.46	65,753.46
3/01/2024	64,454.00	2.000%	1,298.79	65,752.79
6/01/2024	64,777.00	2.000%	976.52	65,753.52
9/01/2024	65,100.00	2.000%	652.63	65,752.63
12/01/2024	65,426.00	2.000%	327.13	65,753.13
Total	4,326,705.00	-	933,542.11	5,260,247.11 *

$3,334.64 one-percent administrative fee paid quarterly. Total fee paid over life of loan is $466,771.20.

[redacted] Public Finance Office

File = City of Parkersburg Loans.sf-SRF 8-01-03 Revised- SINGLE PURPOSE
8/ 1/2003 2:16 PM

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 216,335	August 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 $

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

SPECIMEN

THE CITY OF PARKERSBURG
(WEST VIRGINIA)

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A
AND
COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2005 A

BOND AND NOTES ORDINANCE

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THE CITY OF PARKERSBURG
(WEST VIRGINIA)

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2005 A
AND
COMBINED WATERWORKS AND SEWERAGE SYSTEM
BOND ANTICIPATION NOTES, SERIES 2005 A

BOND AND NOTES ORDINANCE

THE CITY OF PARKERSBURG
(WEST VIRGINIA)

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE ISSUER'S OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $40,000,000, AND COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2005 A OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, The City of Parkersburg (the "Issuer") presently owns and operates, through the Parkersburg Utility Board, a public combined waterworks and sewerage system (the "System"), and has heretofore financed the acquisition and construction of the System and certain extensions, additions, betterments and improvements thereto through the issuance of several series of bonds, refunding bonds or notes of which there are presently outstanding the Prior Bonds and the Prior Notes, as hereinafter defined;

WHEREAS, all of the Prior Bonds and Prior Notes were issued pursuant to ordinances of the Issuer previously enacted (such ordinances, as so amended and supplemented, collectively herein called the "Prior Ordinances");

WHEREAS, under the provisions of Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), the Issuer is authorized to issue revenue bonds for the purpose of financing the acquisition and construction of extensions, additions, betterments and improvements to the System;

WHEREAS, pursuant to the Act, the Issuer is authorized and empowered to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding revenue bonds, including interest thereon;

WHEREAS, the Issuer has determined and hereby determines that it is in the best interests of the inhabitants of The City of Parkersburg and other users of the System to currently refund the Issuer's outstanding Series 2003 C Bonds;

WHEREAS, the Issuer has determined and hereby determines that the acquisition and construction of certain extensions, additions, betterments and improvements to the System, which includes the acquisition and construction of upgrades to the wastewater collection and treatment portion of the System, is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of The City of Parkersburg and surrounding areas;

WHEREAS, the Issuer has determined and hereby determines that the aforementioned refunding of the Series 2003 C Bonds and acquisition and construction of extensions, additions, betterments and improvements to the System should be financed in part with the proceeds from the issuance of the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, in the original aggregate principal amount of not more than $40,000,000 (the "Series 2005 A Bonds"), such Series 2005 A Bonds to be secured by and payable from the Gross Revenues (as hereinafter defined) of the System, and the proceeds of its Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A in the original aggregate principal amount of not more than $10,000,000 (the "Series 2005 A Notes" and together with the Series 2005 A Bonds, sometimes collectively referred to herein as the "Series 2005 Bonds"), such Series 2005 A Notes to be secured by a commitment from the West Virginia Clean Water State Revolving Fund;

WHEREAS, the Issuer has determined and hereby determines that it is in the best interests of the residents of The City of Parkersburg that its Series 2005 A Bonds and Series 2005 A Notes be sold to the Original Purchaser (as hereinafter defined) thereof

pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser.

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

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 Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2005 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"Board" means the Utility Board of the Issuer.

"Bond Commission" or "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 Utility Board, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2005 Bonds, shall mean the Bond Insurer, if any, designated in the Supplemental Resolution.

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

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

"Bonds" means, collectively, the Series 2005 A Bonds and the Prior Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2005 A Bonds and Series 2005 A Notes, respectively, in substantially the forms set forth in EXHIBIT A - FORM OF SERIES 2005 A BOND and EXHIBIT B - FORM OF SERIES 2005 A NOTE, all attached hereto.

"City" or "Issuer" means The City of Parkersburg, a municipal corporation and political subdivision of the State of West Virginia, in Wood County thereof, and, unless the context clearly indicates otherwise, includes the Governing Body and the Board of the Issuer and any other commission, board or department established by the Issuer to operate and maintain the System.

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

"Closing Date" means the date upon which there is an exchange of the Series 2005 Bonds for the proceeds representing the original purchase price thereof.

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

"Consulting Engineers" means Strand Associates, Inc., Madison, Wisconsin, or any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or "Costs of the Project" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation those costs described in Section 1.03C.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

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

"Debt Service," with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

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

"DTC" means The Depository Trust Company, New York, New York or its successor.

"DTC-eligible" means, with respect to the Series 2005 Bonds, meeting the qualifications prescribed by DTC.

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

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

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

"Governing Body" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council, as it may now or hereafter be constituted.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

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

"Independent Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to

prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of said System in the normal operations of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Series 2005 A Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the current Mayor of the Issuer.

"Municipal Bond Insurance Policy" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 2005 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2005 Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Series 2005 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2005 A Bonds Reserve Account and the Series 2005 A Notes Proceeds Funds. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from investment of proceeds of the Series 2005 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Notes" means, collectively, the Series 2005 A Notes and the Prior Notes.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting

the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds or the Notes, 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 collectively, Crews & Associates, Inc., Charleston, West Virginia, and Ferris Baker Watts, Charleston, West Virginia as the purchaser of the Series 2005 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2005 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 2005 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2005 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of said Series 2005 Bonds.

"Outstanding," when used with reference to Bonds or Notes and as of any particular date, describes all Bonds or Notes theretofore and thereupon being issued and delivered except (a) any Bond or Note or Prior Bond or Prior Note canceled by the registrar for such Bond or Note or Prior Bond or Prior Note at or prior to said date; (b) any Bond or Note or Prior Bond or Prior Note 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 or Note deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Noteholders, respectively, or Bonds or Notes respectively, for the purpose of consents, notices and the like, any Bond or Note registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond or Note, such Bond or Note shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Bond Commission and any other paying agent for the Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" shall mean collectively, the Series 1996 Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2003 D Bonds and the Series 2003 E Bonds.

"Prior Notes" means, collectively, the Series 2001 A Notes, the Series 2001 B Notes and the Series 2002 A Notes.

"Prior Ordinances" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the System, including the construction of upgrades to the wastewater collection and treatment portion of the Issuer's combined waterworks and sewerage system, and all necessary appurtenances.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Series 2005 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

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

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2005 Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

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

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2005 A Bonds and the Prior Bonds.

"Reserve Account Requirement" means, collectively, the respective amount required to be on deposit in the respective Reserve Accounts for the Series 2005 A Bonds and the Prior Bonds.

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

"Series 1996 Bonds" means 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.

"Series 2003 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000.

"Series 2003 B Bonds" means the Issuer's 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.

"Series 2003 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated March 26, 2003, issued in the original aggregate principal amount of $1,500,000.

"Series 2003 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000.

"Series 2003 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705.

"Series 2005 Bonds" means, collectively, the Series 2005 A Bonds and the Series 2005 A Notes.

"Series 2005 A Bonds" means the Combined Waterworks and Sewerage System
Revenue Bonds, Series 2005 A, of the Issuer, originally authorized to be issued pursuant this Ordinance and the Supplemental Resolution.

"Series 2005 A Bonds Construction Trust Fund" means the Series 2005 A Bond Construction Trust Fund established by Section 4.01 hereof.

"Series 2005 A Bonds Redemption Account" means the Series 2005 A Bonds Redemption Account established by Section 4.02 hereof.

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bonds Reserve Account established in the Series 2005 A Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2005 A Bonds Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2005 A Bonds.

"Series 2005 A Bonds Sinking Fund" means the Series 2005 A Bonds Sinking Fund established by Section 4.02 hereof.

"Series 2001 A Notes" means the Issuer's 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.

"Series 2001 B Notes" means the Issuer's 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.

"Series 2002 A Notes" means the Issuer's Combined Waterworks and Sewerage System Subordinate Note, Series 2002 A, dated January 24, 2002, issued in the original aggregate principal amount of $875,000.

"Series 2005 A Notes" means the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2005 A Notes Payment Fund" means the Series 2005 A Notes Payment Fund established pursuant to Section 4.02 hereof.

"Series 2005 A Notes Proceeds Fund" means the Series 2005 A Notes Proceeds
Fund established pursuant to Section 4.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2005 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2005 A Bonds and the Series 2005 A Notes and authorizing the sale of the Series 2005 A Bonds and the Series 2005 A Notes to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

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

"System" means, the complete existing public municipal combined waterworks and sewerage system of the Issuer, and shall include any extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

"Term Bonds" means Series 2005 A Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

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

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

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

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

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia, in Wood County of said State.

B. The Issuer now owns and operates, through the Utility Board, the System. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed the Project, as defined in Section 1.01 hereof, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

C. The design of the Project was financed in part by the proceeds of prior bond issues of the Issuer, of which there is presently outstanding the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated March 26, 2003, issued in the original aggregate principal amount of $1,500,000, of which approximately $ _____ is presently outstanding (the "Series 2003 C Bonds").

D. The Issuer has determined and hereby determines that it is in the best interest of the residents of the Issuer and other users of the System to currently refund the Series 2003 C Bonds.

E. It is deemed necessary for the Issuer to issue its (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, in the original aggregate principal amount of not more than $40,000,000, and (ii) Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, in the original aggregate principal amount of not more than $10,000,000, to pay the principal and accrued interest for the Issuer's Series 2003 C Bonds and to finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2005 A Bonds and Series 2005 A Notes 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; underwriter's discount, 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; premiums for municipal bond insurance, reserve account insurance or reserve account surety bonds; letter of credit fees; discount; initial fees for the services of registrar's, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2005 A Bonds and the Series 2005 A Notes and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition and 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 2005 A Bonds and Series 2005 A Notes or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as defined herein.

D. The period of usefulness of the System after completion of the Project is not less than 30 years.

E. It is in the best interest of the Issuer that the Series 2005 A Bonds and the Series 2005 A Notes be sold to the Original Purchaser pursuant to the terms and provisions of a Bond Purchase Agreement to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by the Supplemental Resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2005 A Bonds as to liens, pledge, source of and security for payment, being (i) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $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), dated March 4, 2003, issued in the original aggregate principal amount of $3,250,000 (the "Series 2003 B Bonds"), (iii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"), (iv) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"), and (v) 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 "Series 1996 Bonds") (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System. The Series 2005 A Bonds shall be issued on a parity with the Prior Bonds, all of which shall have a first lien position with respect to pledge and source of and security for payment and in all other respects. The

Issuer has met the coverage requirements for issuance of parity bonds of the Prior Bonds and the Prior Ordinances.

Prior to the issuance of the Series 2005 A Bonds, the Issuer will obtain (i) the certificate of an Independent Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2005 A Bonds on a parity with such Bonds.

There are also outstanding obligations of the Issuer which are junior and subordinate to the Prior Bonds as to liens, pledge, and source of and security for payment, being the (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) Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 B, dated June 28, 2001, issued in the original aggregate principal amount of $124,156 (the "Series 2001 B Notes"), and (iii) Combined Waterworks and Sewerage System Subordinate Notes, Series 2002 A, dated January 24, 2002, issued in the original aggregate principal amount of $875,000 (the "Series 2002 A Notes"), all of which are payable from Surplus Revenues (as hereinafter defined) of the System (collectively, the "Prior Notes"). The Series 2005 A Bonds shall be senior with respect to pledge and source of and security for payment and in all other respects to the Prior Notes.

G. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds and the Prior Notes. Except for such pledge thereof to secure and pay the Prior Bonds and the Prior Notes, said revenues are not pledged or encumbered in any manner. The Issuer intends to issue the Series 2005 A Bonds and to pledge for payment thereof, the Gross Revenues of the System. Upon issuance of the Series 2005 A Bonds, the Series 2005 A Bonds will be secured by a first lien on the Gross Revenues of the System, on a parity with the Prior Bonds, and senior as to liens, pledge, source of and security for payment and prior to the Prior Notes.

H. The Issuer intends to issue the Series 2005 A Notes and to pledge as security therefor a commitment from the West Virginia Clean Water State Revolving Fund. The Series 2005 A Notes shall be junior and subordinate as to liens, pledge, source of and security for payment and in all other respects to the Series 2005 A Bonds, the Prior Bonds, and the Prior Notes.

I. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for repair, maintenance and operation of the System, the payment of interest on the Series 2005 A Bonds, the Series 2005 A Notes, the Prior Bonds and the Prior Notes, and to create sinking funds, as hereinafter provided, to pay the principal on the Series 2005 A Bonds, the Prior Bonds and the Prior Notes 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.

J. The Series 2005 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - SERIES 2005 A BOND FORM, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2005 A Notes and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in EXHIBIT B - SERIES 2005 A NOTE 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 2005 A Bonds and the Series 2005 A Notes, 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 or commitments pledged hereby to the payment of the principal of and interest on the Series 2005 A Bonds and the Series 2005 A Notes will be timely done and duly performed.

L. The enactment of this Ordinance, and the execution and issuance of the Series 2005 A Bonds and the Series 2005 A Notes, 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.

M. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2005 A Bonds and the Series 2005 A Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a certificate of convenience and necessity from the West Virginia Public Service Commission by final order, the time for rehearing and appeal of which will either have expired prior to the date of issuance of the Series 2005 A Bonds and the Series 2005 A Notes or such final order will not be subject to appeal or rehearing.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2005 A Bonds or the Series 2005 A Notes 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 Holders 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 Series 2005 A Bonds or Series 2005 A Notes respectively, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2005 A Bond or Series 2005 A Note and any other

Series 2005 A Bond or Series 2005 Note, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING; AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Refunding. All Series 2003 C Bonds Outstanding as of the date of issuance of the Series 2005 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Gross Revenues in favor of the Holder of the Series 2003 C Bonds imposed by the Prior Ordinance authorizing the issuance of the Series 2003 C Bonds, the monies in the funds and accounts created by the Prior Ordinances pledged to payment of the Series 2003 C Bonds, and any other funds pledged by the Prior Ordinances to payment of the Series 2003 C Bonds are hereby ordered terminated, discharged and released upon such payment to the Holder of the Series 2003 C Bonds. Contemporaneously with the payment in full of the Series 2003 C Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the Series 2003 C Bonds, shall be released from the lien created by the Prior Ordinance authorizing the issuance of the Series 2003 C Bonds.

Section 2.02. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than $60,000,000. The proceeds of the Series 2005 A Bonds and the Series 2005 A Notes hereby authorized shall be applied as provided herein. The cost of the Project is estimated not to exceed $60,000,000 of which up to $40,000,000 will be obtained from proceeds of the Series 2005 A Bonds, up to $10,000,000 will be obtained from the proceeds of the Series 2005 A Notes, and up to $5,000,000 will be provided by a State and Tribal Assistance Grant.

ARTICLE III

THE BONDS AND THE NOTES

Section 3.01. Form and Payment of Bonds and Notes. A. No Series 2005 A Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2005 A Bonds issued pursuant to this Ordinance after the issuance of the Series 2005 A Bonds, as hereinafter provided, may be issued only as fully registered Series 2005 A Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Series 2005 A Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2005 A Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2005 A Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2005 A Bonds shall be in default, Series 2005 A Bonds issued in exchange for Series 2005 A Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2005 A Bonds surrendered.

The principal of and the premium, if any, on the Series 2005 A Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2005 A Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2005 A Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2005 A 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 Series 2005 A Bond in the principal amount of said Series 2005 A Bond then Outstanding.

B. No Series 2005 A Note shall be issued pursuant to this Ordinance except as provided in this Article III. Any Series 2005 A Note issued pursuant to this Ordinance after the issuance of the Series 2005 A Notes, as hereinafter provided, may be issued only as fully registered Series 2005 Notes without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Series 2005 A Notes shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2005 A Notes

shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2005 A Notes has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2005 A Notes shall be in default, Series 2005 A Notes issued in exchange for Series 2005 A Notes surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2005 A Notes surrendered.

The principal of and the premium, if any, on the Series 2005 A Notes shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2005 A Notes shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Series 2005 A Notes, 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 Series 2005 A Note 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 Series 2005 A Note in the principal amount of said Series 2005 A Note then Outstanding.

Section 3.02. Execution of Bonds and Notes. The Series 2005 A Bonds and the Series 2005 A Notes shall be executed in the name of the Issuer by the Mayor, by his manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2005 A Bonds and the Series 2005 A Notes shall cease to be such officer of the Issuer before the Bonds and Notes so signed and sealed have been actually sold and delivered, such Bonds and Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds and Notes had not ceased to hold such office. Any Series 2005 A Bonds and Series 2005 A Notes may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds and Notes shall hold the proper office in the City, although at the date of such Bonds and Notes such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. A. No Series 2005 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2005 A BOND attached hereto and incorporated herein by reference with respect to such respective

Series 2005 A Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Series 2005 A Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2005 A 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 Series 2005 A Bonds issued hereunder.

B. No Series 2005 A Note 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 B - FORM OF SERIES 2005 A NOTE attached hereto and incorporated herein by reference with respect to such respective Series 2005 A Note, 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 Series 2005 A Note has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Series 2005 A Note 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 Series 2005 A Notes issued hereunder.

Section 3.04. Negotiability and Registration. A. Subject to the requirements for transfer set forth below, the Series 2005 A 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 Series 2005 A Bonds, shall be conclusively deemed to have agreed that such Series 2005 A 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 Series 2005 A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2005 A Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2005 A Bonds. The Series 2005 A 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 Series 2005 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, Series 2005 A 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 Series 2005 A Bond is exercised, Series 2005 A Bonds shall be delivered in accordance with the provisions of this Ordinance. All Series 2005 A Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2005 A Bonds, the initial exchange of Series 2005 A Bonds and exchanges of such 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 Series 2005 A Bonds, the Registrar may impose a service charge. For every such transfer or exchange of such 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 Series 2005 A Bonds that have been called for redemption.

B. Subject to the requirements for transfer set forth below, the Series 2005 A Notes 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 Series 2005 A Notes, shall be conclusively deemed to have agreed that such Series 2005 A Notes 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 Series 2005 A Notes shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2005 A Notes remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2005 A Notes. The Series 2005 A Notes 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 Series 2005 A Note, there shall be issued at the option of the Holder or the transferee another Note or Notes of the aggregate principal amount equal to the unpaid amount of the transferred Note and of the same series, interest rate and maturity of said transferred Note.

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, Series 2005 A Notes may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Notes of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2005 A Note is exercised, Series 2005 A Notes shall be delivered in accordance with the provisions of this Ordinance. All Series 2005 A Notes surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2005 A Notes, the initial exchange of Series 2005 A Notes and exchanges of such Notes in the event of partial redemption of fully registered Notes shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2005 A Notes, the Registrar may impose a service charge. For every such transfer or exchange of such Notes, 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 Series 2005 A Notes that have been called for redemption.

Section 3.05. Bonds or Notes Mutilated, Destroyed, Stolen or Lost. In case any Series 2005 A Bond or Series 2005 A Note 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 or Note of like series, maturity and principal amount as the Bond or Note so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond or Note, as applicable, or in lieu of and substitution for the Bond or Note destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond or Note, as applicable, 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 Holder listed in the Bond Register shall constitute proof of ownership. All Bonds or Notes 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 or Note shall have matured or be about to mature, instead of issuing a substitute Bond or Note, as applicable, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond or Note be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds or Notes 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 or Notes be at any time found by any one, and such duplicate Bonds or Notes shall be entitled to equal and proportionate benefits and rights as

to lien and source of and security for payment from the revenues or commitments pledged herein, as applicable, with all other Bonds or Notes issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2005 A Bonds 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 Series 2005 A Bonds Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory redemption date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Series 2005 A Bonds 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 Series 2005 A Bonds 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 or Notes, as applicable, to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, if any, the Original Purchaser, and the registered owner of the Series 2005 A Bond or Bonds, or Series 2005 A Note or Notes, as applicable, to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

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

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Series 2005 A Bonds or Series 2005 A Notes, as applicable, are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds or Notes 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 Note, as applicable, 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 or Notes, as applicable, 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 or Notes.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 2005 A Bonds or portions of such Bonds, or Series 2005 A Notes or portions of such Notes, as applicable, which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 2005 A Bonds or portions of such Bonds, or Series 2005 A Notes or portions of such Notes, as applicable, 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 Series 2005 A Bonds or portions of such Bonds, or Series 2005 A Notes or portions of such Notes, as applicable, shall cease to bear interest. Upon surrender of such Bonds or Notes for redemption in accordance with said notice, such Bonds or Notes 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 or any Note, there shall be prepared for the registered owner a new Bond or Bonds or new Note or Notes, as applicable, of the same maturity in the amount of the unpaid principal. All Bonds or Notes 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 Series 2005 A Bonds or Series 2005 Notes, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds or Notes, as applicable, 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 or Note is registered as the owner of such Bond or Note for the purpose of receiving payment of the principal of, and interest on, such Bond or Note and (except as provided in Section 6.18) for all other purposes, whether or not such Bond or Note is overdue.

Section 3.09. Temporary Bonds and Notes. Until Bonds or Notes 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 or Notes in temporary form, substantially in the form of the definitive Bonds or Notes of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds or Notes in definitive form, such Bonds or Notes 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, or any Note or Notes, 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, or Note or Notes, in definitive form. Such exchange

shall be made by the Registrar without making any charge therefor to the Holder of such Bond or Note in temporary form.

Section 3.10. Authorization of Series 2005 A Bonds and Series 2005 A Notes. A. For the purposes of paying in full the entire outstanding principal of and all accrued interest on the Series 2003 C Bonds, paying a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the System, funding the Series 2005 A Bonds Reserve Account and paying costs of issuance of the Series 2005 A Bonds and related costs, there shall be issued the Series 2005 A Bonds of the Issuer, in an aggregate principal amount of not more than $40,000,000. The Series 2005 A Bonds shall be designated "The City of Parkersburg (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2005 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2005 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2005 A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purposes of paying a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the System and paying costs of issuance of the Series 2005 A Notes and related costs, there shall be issued the Series 2005 A Notes of the Issuer, in an aggregate principal amount of not more than $10,000,000. The Series 2005 A Notes shall be designated "The City of Parkersburg (West Virginia) Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2005 A Notes maturing in the year of maturity for which the denomination is to be specified. The Series 2005 A Notes shall be numbered from AR-1 consecutively upward. The Series 2005 A Notes shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2005 A Bonds and Series 2005 A Notes. The Series 2005 A Bonds and the Series 2005 A Notes (if purchased by the Original Purchaser) shall each initially be issued in the form of one fully-registered bond and one fully-registered note for the aggregate principal amount of the Series 2005 A Bonds and the Series 2005 A Notes, respectively, of each maturity, and shall be registered

in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2005 A Bonds, and Series 2005 A Notes are so issued and registered, DTC (or its nominee) shall be treated as the sole Registered Owner for all purposes hereunder. Each Bond or Note shall bear a legend substantially to the following effect "Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein."

With respect to Series 2005 A Bonds and Series 2005 A Notes registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2005 A Bonds or Series 2005 A Notes. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2005 A Bonds or Series 2005 A Notes, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond or Note, as applicable, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond or Note, as applicable, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond or Note, as applicable, is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond or Note, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to any Bond or Note for the purpose of making payment of any purchase price of such Bond or Note, for the purpose of registering transfers with respect to such Bond or Note, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2005 A Bonds and the Series 2005 A Notes and the purchase price of any Bond or Note only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect

to payment of principal of, premium, if any, and interest on the Series 2005 A Bonds or Series 2005 A Notes to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond or Note certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2005 A Bonds or Series 2005 A Notes. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2005 A Bonds or Series 2005 A Notes, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond or Note certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond or Note certificates and transfer one or more separate Bond or Note certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2005 A Bonds or Series 2005 A Notes shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2005 A Bonds or Series 2005 A Notes shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2005 A Bonds and Series 2005 A Notes hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2005 A Bonds and Series 2005 A Notes.

A. The Issuer shall execute and deliver the Series 2005 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2005 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2005 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005 A Bonds to DTC for the benefit of the Original Purchaser;

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

(4) The unqualified approving opinion of Bond Counsel regarding the Series 2005 A Bonds; and

(5) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

B. The Issuer shall execute and deliver the Series 2005 A Notes to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2005 A Notes to the Original Purchaser upon receipt of the documents set forth below:

(1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2005 A Notes are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005 A Notes to DTC for the benefit of the Original Purchaser;

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

(4) The unqualified approving opinion of Bond Counsel regarding the Series 2005 A Notes; and

(5) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 2005 A Bonds and Series 2005 A Notes. A. The definitive Series 2005 A Bonds shall be in substantially the form set forth in EXHIBIT A - SERIES 2005 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 2005 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2005 A Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

B. The definitive Series 2005 A Notes shall be in substantially the form set forth in EXHIBIT B - SERIES 2005 A NOTE 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 2005 A Notes on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2005 A Notes shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2005 A Bonds and Series 2005 A Notes. A. Upon the issuance and delivery of the Series 2005 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on Series 2005 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2005 A Bonds Sinking Fund and applied to payment of interest on the Series 2005 A Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2005 A Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2005 A Bonds Reserve Account.

3. An amount of the proceeds of the Series 2005 A Bonds equal to the entire outstanding principal of and all accrued interest on the Series 2003 C Bonds as set forth in the Supplemental Resolution shall be remitted to the Bond Commission to pay the Series 2003 C Bonds in full.

4. The amount of Series 2005 A Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2005 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2005 A Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2005 A Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2005 A Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2005 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2005 A Bonds from which such proceeds are derived.

5. The balance of Series 2005 A Bonds proceeds, if any, shall be deposited in the Series 2005 A Bonds Construction Trust Fund and disbursed as provided in Section 3.15 hereof.

B. Upon the issuance and delivery of the Series 2005 A Notes, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on Series 2005 A Notes from the date thereof to the date of delivery thereof and any amount of capitalized interest shall be deposited in the Series 2005 A Notes Payment Fund and applied to payment of interest on the Series 2005 A Notes.

2. The remainder of the proceeds of the Series 2005 A Notes shall be deposited into the Series 2005 A Note Proceeds Fund and applied solely to the payment of the costs of acquisition and construction of the Project and the costs of issuance of the Series 2005 A Notes and related costs, and until so expended, are hereby pledged as additional security for the Series 2005 A Notes.

Section 3.15. Disbursements from the Series 2005 A Bonds Construction Trust Fund.

Disbursements from the Series 2005 A Bonds Construction Trust Fund, except for payment of Costs of Issuance of the Series 2005 A Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for acquisition and construction of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2005 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if previously established by the Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other and used solely for the purposes provided herein:

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

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

(3) Costs of Issuance Fund;

(4) Rebate Fund;

(5) Series 2005 A Bonds Construction Trust Fund;

(6) Series 2005 A Notes Proceeds Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds and accounts are hereby established with and shall be held by the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission or the Issuer and from each other and used solely for the purposes provided herein:

(1) Series 2005 A Bonds Sinking Fund;

(a) Within the Series 2005 A Bonds Sinking Fund:

(i) Series 2005 A Bonds Reserve Account; and

(ii) Series 2005 A Bonds Redemption Account.

(2) Series 2005 A Notes Payment Fund.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds or Notes shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) commencing 7 months prior to the first interest payment date of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2005 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2005 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2005 A Bonds deposited therein.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Sinking Fund and in the Series 2005 A Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2005 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Moneys in the Series 2005 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2005 A Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2005 A Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2005 A Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2005 A Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2005 A Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2005 A Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2005 A Bonds are issued, provision shall be made for additional deposits into the respective Sinking Funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the retirement thereof.

The payments into the Series 2005 A Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds the amounts required by the Prior Ordinances; and (ii) for deposit in the Series 2005 A Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2005 A Bonds Reserve Account below the Series 2005 A Bonds Reserve Requirement or any withdrawal from the Series 2005 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2005 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2005 A Bonds Reserve Account is less than the Series 2005 A Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2005 A Bonds Reserve Account for deposit into the Series 2005 A Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit

in the Series 2005 A Bonds Reserve Account to an amount equal to the Series 2005 A Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2005 A Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2005 A Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2005 A Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2005 A Bonds Reserve Requirement.

Amounts in the Series 2005 A Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2005 A Bonds when due, when amounts in the Series 2005 A Bonds Sinking Fund are insufficient therefor and for no other purpose.

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

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund a sum equal to not less than 5% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account.

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 any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts); and

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(7) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining revenues ("Surplus Revenues") to payment of debt service on the Prior Notes or any other subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The moneys derived from the sale of the Series 2005 A Notes shall be deposited with the Depository Bank and applied in accordance with Section 3.14 hereof.

C. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

D. If on any monthly payment date the Gross Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

E. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2005 A Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES AND CONTINUING DISCLOSURE CERTIFICATE

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Depreciation Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in a Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer, if any, shall be notified

immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the applicable Sinking Fund and otherwise in accordance with Section 4.03(3).

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

(E) Notwithstanding the foregoing, all moneys deposited in any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board 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 Series 2005 A Bonds and the Series 2005 A Notes in such manner and to such extent as may be necessary, so that such Series 2005 A Bonds and Series 2005 A Notes will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on the Series 2005 A Bonds and the Series 2005 A Notes will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2005 A Bonds and Series 2005 A Notes as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

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

contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Certificate. The Issuer shall deliver a continuing disclosure certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2005 A Bonds or Series 2005 A Notes, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2005 A Bonds and Series 2005 A Notes, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2005 A Bonds or Series 2005 A Notes or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds and Notes not to be Indebtedness of the Issuer. A. The Series 2005 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account therein and the unexpended proceeds of the Series 2005 A Bonds, all as herein provided. No Holder or Holders of the Series 2005 A Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2005 A Bonds or the interest thereon.

B. The Series 2005 A Notes 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 commitment of the West Virginia Clean Water State Revolving Fund. No Holder or Holders of the Series 2005 A Notes issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2005 A Notes or the interest thereon.

Section 6.03. Series 2005 A Bonds Secured by Parity Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds; Security for the Series 2005 A Notes. The payment of the debt service of all of the Series 2005 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds, which lien and pledge are senior and prior to the lien in favor of Holders of the Prior Notes, and all moneys in the Series 2005 A Bonds Sinking Fund, including the Series 2005 A Bonds Reserve Account therein. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2005 A Bonds herein authorized, and to make the payments into the Series 2005 A Bonds Sinking Fund, all moneys and securities in the Series 2005 A Bonds Sinking Fund, including the Series 2005 A Bonds 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 Prior Bonds and the Series 2005 A Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

The payment of the debt service of the Series 2005 A Notes issued hereunder shall be secured forthwith equally and ratably with each other by a commitment from the West Virginia Clean Water State Revolving Fund. The Series 2005 A Notes have no lien on the Gross Revenues or Surplus Revenues of the System.

Section 6.04. Rates. Prior to the issuance of the Series 2005 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

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. Completion of Project; Operation and Maintenance. The Issuer will complete the Project as promptly as possible. 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. The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 6.06. Sale of the System. So long as the Prior Bonds and Prior Notes are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Ordinances. Additionally, so long as the Series 2005 A Bonds and Series 2005 A Notes are Outstanding, 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 fully pay all the Bonds and Prior Notes Outstanding, or to defease the pledge created by this Ordinance and the Prior Ordinances. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the respective Sinking Funds, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. 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 Series 2005 A 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 Series 2005 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2005 A Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional parity Bonds, as 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 design, acquisition or construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds or Notes issued pursuant hereto or the Prior Bonds, to pay claims which may exist against the revenues or facilities of the System, or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Prior Bonds then Outstanding;

(2) The Series 2005 A Bonds then Outstanding;

(3) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(4) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Gross Revenues of the System on a parity with the Series 2005 A 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 2005 A Bonds, the Prior Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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 Surplus Revenues, on a parity with the Prior Notes. 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 Series 2005 A Bonds, except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, if any (excluding the Depreciation Fund), and any other payments provided for in this Ordinance shall have been made in full as required to the date of delivery of the additional parity Bonds.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2005 A Bonds and Series 2005 A Notes remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the time of war the Issuer will also carry and maintain insurance to the extent available against risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Depreciation Fund.

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

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

Section 6.10. 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 Issuer, 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 6.11. No Free Services. 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 Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.12. 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 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, including penalties and reconnect fees, have been fully paid, or a payment agreement in compliance with the West Virginia Public Service Commission regulations has been entered.

Section 6.13. No Competing Franchise. To the extent legally allowable, the Issuer nor the Board will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation 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 Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds or Note or Notes shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Holder of Bonds or Notes requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer shall also file with the Original Purchaser and any Bond Insurer, and mail to any Holder of Bonds or Notes 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 shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds or Notes issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.15. Operating Budget. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Holder of Bonds or Notes or anyone acting for and in behalf of such Holder who requests the same.

Section 6.16. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2005 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2005 Bonds during the term thereof is, under the terms of such Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2005 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 2005 Bonds during the terms thereof is, under the terms of such Series 2005 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 2005 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2005 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2005 Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2005 Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2005 Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2005 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.17. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2005 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2005 A Bonds and shall be on a parity with one another and with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 6.18. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 2005 Bonds from the Bond Insurer. Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution, are required by the Bond Insurer as a condition to insuring the Series 2005 Bonds, shall apply to the Series 2005 Bonds and any other Bonds or Notes which may be insured by the Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2005 Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any Bond or Note;

(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 and Notes 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 Holder of any Bond or Note or any Bond Insurer;

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

(D) If the Issuer defaults on the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Holder of any Bond or Note 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 Holders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds or Notes;

(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 Holders or the Bonds and the Notes; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Holders of the Bonds and the Notes.

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

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

No waiver of any default or Event of Default hereunder by the Holders 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 Holder 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 Series 2005 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 Series 2005 Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Holder 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 and Notes 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 Holders of the Bonds and the Notes, 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 Holders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Holder's committee shall consider the effect on the Holders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Holder. In case any Holder 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 Holder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2005 Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Series 2005 Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2005 Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2005 Bonds. The Fiduciaries and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Fiduciaries May Act. Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Series 2005 Bonds, the first exchange of Series 2005 Bonds and the exchange of Series 2005 Bonds in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2005 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 Holders or effect or aid in any reorganization growing out of the enforcement of the Series 2005 Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2005 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 Holder in the event all Series 2005 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 Note or a coupon Bond or Note registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Series 2005 Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Holders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2005 Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Holders 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 Holders. The Issuer shall publish in an Authorized Newspaper (or mail to each Holder in the event all Series 2005 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 Note or a coupon Bond or Note 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 Holders. 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 Holder 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 Series 2005 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 Series 2005 Bonds so authenticated, and, in case any Series 2005 Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2005 Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent and Depository Bank. The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2005 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 Holders 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 Series 2005 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Gross Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2005 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 Series 2005 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 Series 2005 Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Series 2005 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 Series 2005 Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Holder or other person, solely for the purpose of maintaining the tax-exempt status of the Series 2005 Bonds, provided that, in the event any of the Series 2005 Bonds are insured, no such amendment or modification which adversely affects the security for such Series 2005 Bonds or the rights of the applicable Bond Insurer for such Series 2005 Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2005 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 Series 2005 Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Series 2005 Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Holders and Ownership of Series 2005 Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders 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 Holder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Holder 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 Series 2005 Bonds held by a person executing any instrument as a Holder, the date of his holding such Series 2005 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 or any Note shall bind all future Holders and owners of such Bond or Note, respectively, 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 Holder, 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 Series 2005 Bonds. All Series 2005 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 Series 2005 Bonds shall be deemed Outstanding under this Ordinance and no Series 2005 Bonds shall be issued in lieu thereof. All such Series 2005 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 Series 2005 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 Series 2005 Bonds which remain unclaimed for 1 year after the date on which such Series 2005 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 Series 2005 Bonds shall look only to the Issuer for the payment of such Series 2005 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 Series 2005 Bonds is a coupon Bond or Note,

as applicable, 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
P. O. Box 1627
Parkersburg, West Virginia 26102
Attention: Mayor

REGISTRAR AND PAYING AGENT

[Name and address
to be set forth in the
Supplemental Resolution]

DEPOSITORY BANK

[Name and address
to be set forth in the
Supplemental Resolution]

ORIGINAL PURCHASERS

Crews & Associates, Inc.
300 Summers Street
Suite 930
Charleston, West Virginia 25301

Ferris, Baker Watts, Inc.
100 Laidley Tower
500 Lee Street
Charleston, West Virginia 25301

BOND INSURER

[Name and address
to be set forth in the
Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Series 2005 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 Series 2005 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 Series 2005 Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2005 Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided however, that the Prior Ordinances shall remain in full force and effect so long as any of the Prior Bonds are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required

been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Council were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

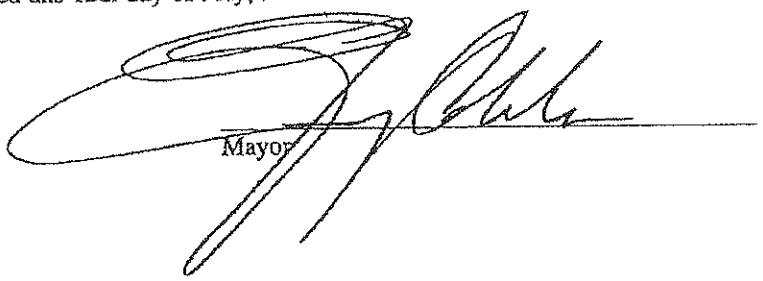
Section 10.14. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in The 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 of the Issuer at the public hearing to be had at a public meeting of the Council on July 12, 2005, at 7:30 p.m., and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

First Reading:	June 14, 2005
Second Reading:	June 28, 2005
Passed on Final Reading Following Public Hearing:	July 12, 2005

Section 10.15. Effective Date. This Ordinance shall take effect immediately upon enactment.

Enacted this 12th day of July, 2005.

[SEAL]



Mayor

ATTEST:

Connie Shaffer

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Council of THE CITY OF PARKERSBURG at a regular meeting of the Council held at 7:30 p.m., on July 12, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in two newspapers 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 15th day of August, 2005.

[SEAL]

Connie Strayer
City Clerk

EXHIBIT A - SERIES 2005 A BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BOND, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest

Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Parkersburg (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2005, the proceeds of which are to be used (i) to finance the costs of currently refunding the Issuer's Series 2003 C Bonds, (ii) to finance a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer, (iii) to fund the Series 2005 A Bonds Reserve Account, and (iv) to pay certain costs of issuance of the Series 2005 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on July 12, 2005, and supplemented by supplemental resolutions adopted by said Council on July 26, 2005, and August 9, 2005 (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 of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL

RESPECTS, WITH THE ISSUER'S OUTSTANDING (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (2) THE 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 (THE "SERIES 2003 B BONDS"), (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (4) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), AND (5) 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 "SERIES 1996 BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is 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 _____.

The Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of

the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs of acquisition and construction of certain extensions, additions, betterments and improvements to the System, fund a reserve account for the Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)_____
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____ the within Bond and does hereby irrevocably constitute and appoint

_____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT B - FORM OF SERIES 2005 A NOTE

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
BOND ANTICIPATION NOTES, SERIES 2005 A

No. AR-1 $_____

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 sources and in the manner hereinafter set forth, to the order of

or registered assigns (the "Registered Owner"), on _____, 200____, the principal sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as evidenced by the Record of Advances attached as EXHIBIT A hereto and incorporated herein by reference as a part hereof, payable on _____, 200___, together with interest payable thereon, in ____ monthly installments payable on the ___ day of each month, commencing _____, 2005, until maturity on _____, 200__, on such advances from the date thereof at the rates per annum set forth as follows:

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

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

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

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

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

This Note is subject to prepayment of principal and interest to the date of prepayment in whole or in part at any time, without penalty.

This Note is issued to (i) temporarily finance a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer; and (ii) pay costs of issuance of the Series 2005 A Notes and related costs. The Notes 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 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the council of the Issuer on July 12, 2005, as supplemented by a supplemental resolution duly adopted by the council on August 9, 2005 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance.

The principal of and interest on this Note are payable only from and are secured by a pledge of the proceeds of bonds to be issued by the Issuer and purchased by the West Virginia Water Development Authority, on behalf of the West Virginia Clean Water State Revolving Fund, as evidenced by the commitment from the West Virginia Clean Water State Revolving Fund. The monies from this source shall be deposited into the Series 2005 A Notes Payment Fund established under the Ordinance for the prompt payment of the principal of and interest on this Note. This Note 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 as set forth in the Ordinance.

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT TO THE ISSUER'S OUTSTANDING (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (2) THE

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 (THE "SERIES 2003 B BONDS"), (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (4) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), (5) 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 "SERIES 1996 BONDS") (COLLECTIVELY, THE "PRIOR BONDS"), AND (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (INSURED), TO BE ISSUED CONTEMPORANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $ _____ (THE "SERIES 2005 A BONDS").

THERE ARE ALSO OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH ARE JUNIOR AND SUBORDINATE TO THE SERIES 2005 A BONDS AND THE PRIOR BONDS AS TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM SUBORDINATE NOTES, SERIES 2001 A, DATED JUNE 28, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $524,503 (THE "SERIES 2001 A NOTES"), (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM SUBORDINATE NOTES, SERIES 2001 B, DATED JUNE 28, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $124,156 (THE "SERIES 2001 B NOTES"), AND (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM SUBORDINATE NOTES, SERIES 2002 A, DATED JANUARY 24, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $875,000 (THE "SERIES 2002 A NOTES"), ALL OF WHICH ARE PAYABLE FROM SURPLUS REVENUES OF THE SYSTEM (COLLECTIVELY, THE "PRIOR NOTES").

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE TO THE SERIES 2005 A BONDS, THE PRIOR BONDS AND THE PRIOR NOTES WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT AND HAVE NO LIEN ON THE NET REVENUES OR THE GROSS REVENUES OF THE SYSTEM.

This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the sources set forth above. Under the Ordinance, the Issuer has entered into certain covenants with the Registered Owner, for the terms of which reference is made to said Ordinance. Remedies

provided the Registered Owner are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth below, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Ordinance, only by transfer of registration upon the books of United Bank, Inc., Parkersburg, West Virginia (the "Registrar"), to be made at the request of the Registered Owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney.

All monies received from the sale of this Note shall be applied solely to temporarily finance a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer and to pay costs of issuance of the Series 2005 A Notes and related costs described in the Ordinance, 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 Note.

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

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

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

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

IN WITNESS WHEREOF, THE CITY OF PARKERSBURG has caused this Note to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Note to be dated August _____, 2005.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: August ____, 2005.

UNITED BANK, INC.,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

ASSIGNMENT

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

Dated: _____, 200___.

_____

IN THE PRESENCE OF:

_____

08/02/05
686870.00012

THE CITY OF PARKERSBURG
(WEST VIRGINIA)
Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Insured)

SUPPLEMENTAL PARAMETERS RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF PARKERSBURG AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (INSURED) AND TERMS OF SUCH BONDS; AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, The City of Parkersburg (the "City"), 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, under the provisions of Chapter 8, Article 20, of the West Virginia Code of 1931, as amended (the "Act"), the City is authorized to issue revenue bonds for the purpose of financing the acquisition and construction of extensions, additions, betterments and improvements to the combined public waterworks and sewerage system of the City (the "System");

WHEREAS, the City Council duly enacted an Ordinance (the "Ordinance") on July 12, 2005, entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE ISSUER'S OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC

COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $40,000,000, AND COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2005 A OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, such Ordinance provided for the issuance by the City of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Insured) (the "Series 2005 A Bonds") for the purposes of (I) paying the entire outstanding principal balance of and all accrued interest on the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), (ii) financing a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the System (the "Project"), (iii) capitalizing interest on the Series 2005 A Bonds, (iv) funding a debt service reserve account for the Series 2005 A Bonds, and (v) paying costs of issuance of the Series 2005 A Bonds and related costs, all in accordance with the Act;

WHEREAS, the Ordinance further provided that the exact principal amount of the Series 2005 A Bonds to be sold and the dates, maturities, interest rates, redemption provisions, price and other terms of the Series 2005 A Bonds should be established, that a Bond Insurer, Registrar, Paying Agent and Depository Bank be designated, that a Registrar's Agreement be approved, that additional covenants and provisions relating to the Series 2005 A Bonds be provided herein, and as may be required by any Bond Insurer as a

a condition to insuring such Series 2005 A Bonds and that other matters pertaining to the Series 2005 A Bonds be provided for by a supplemental resolution of the City Council;

WHEREAS, the Series 2005 A Bonds are proposed to be purchased by Crews & Associates, Inc. and Ferris, Baker Watts, Incorporated (collectively, the "Underwriters"), pursuant to a bond purchase agreement for the Series 2005 A Bonds between the Underwriters and the City (the "Bond Purchase Agreement");

WHEREAS, the City has obtained a commitment for Municipal Bond Insurance for the Series 2005 A Bonds from Financial Guaranty Insurance Company (the "Bond Insurer") and has determined that it is advantageous for the City to obtain such Municipal Bond Insurance Policy and provided herein for certain matters required by the Bond Insurer as a condition to issuing such Municipal Bond Insurance Policy for the Series 2005 A Bonds;

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

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Commitment for Municipal Bond Insurance for the Series 2005 A Bonds, the Registrar Agreement hereinafter provided for be entered into by the City, that the Official Statement relating to the Series 2005 A Bonds, hereinafter described, be approved, that certain parameters for the prices, the maturity dates and amounts, and the interest rates of the Series 2005 A Bonds be fixed herein, that provisions required by the Bond Insurer for the Series 2005 A Bonds as a condition to issuing its Municipal Bond Insurance Policy be provided herein, and that other matters relating to the Series 2005 A Bonds be herein provided for, all in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COUNCIL OF THE CITY OF PARKERSBURG, AS FOLLOWS:

Section 1. For the purposes of (I) paying the entire outstanding principal balance of and all accrued interest on the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), (ii) financing a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the System (the "Project"), (iii) capitalizing interest on the Series 2005 A Bonds, (iv) funding a debt service reserve account for the Series 2005 A Bonds, and (v) paying costs of issuance of the Series 2005 A Bonds and related costs, the Council of the City hereby authorizes and orders the issuance of the Series 2005 A Bonds in

an aggregate principal amount not to exceed $ 40,000,000. The Series 2005 A Bonds shall be designated "The City of Parkersburg (West Virginia) Combined Waterworks and Sewerage Revenue Bonds, Series 2005 A (Insured)," and may be issued at such time as the Mayor shall determine.

Section 2. The Series 2005 A shall be sold to the Underwriter, in the original aggregate principal amount of not to exceed $40,000,000; shall be issued in fully registered form without coupons, in the denominations of $5,000 or integral multiples thereof for any period of maturity; shall be numbered from AR-1 consecutively upward in order of maturity; shall be dated such date, upon original issuance; shall bear interest at rates not to exceed 6.0% per annum, payable semiannually; shall mature in such principal amounts on such dates (with final maturity no later than December 31, 2030); shall be subject to such redemption provisions as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance. The Series 2005 A Bonds shall be signed by and on behalf of the City by its Mayor and be countersigned by its City Clerk, which signatures may be either manual or facsimile signatures, and the seal of the City or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Series 2005 A Bonds shall be manually signed by the Registrar.

Section 3. The Series 2005 A Bonds shall be registered to the Depository Trust Company ("DTC") upon issuance thereof.

Section 4. The Mayor shall have the authority to approve the pricing and other final terms of the Series 2005 A Bonds, including the determination of when and whether to issue the Series 2005 A Bonds and to execute the Bond Purchase Agreement without further Council action or approval.

Section 5. The Bond Purchase Agreement by and between the Underwriters and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2005 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 6. The Continuing Disclosure Agreement by and between the City and the Underwriters, to be dated as of the date of delivery of the Series 2005 A Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Continuing Disclosure Agreement shall be conclusive evidence of any approval required by this Section.

Section 7. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2005 A Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 8. The distribution by the Underwriter of a Preliminary Official Statement (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 approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Underwriter are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 9. The City does hereby determine that the Municipal Bond Insurance Policy offered by the Bond Insurer for the Series 2005 A Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Insurance Policy, and accordingly accepts the Commitment for Municipal Bond Insurance (the "Commitment") of Financial Guaranty Insurance Company, dated July 22, 2005. 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 10. 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 for the Series 2005 A Bonds 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 2005 A Bonds:

1. Definitions.

(a) A definition of "Municipal Bond Insurance Policy" shall be included, to read as follows: "the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Series 2005 A Bonds."

(b) A definition of "Bond Insurer" shall be included, to read as follows: "Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto."

2. Default-Related Provisions.

(a) The Issuer shall, to the extent there are no other available funds held under the Ordinance, use the remaining funds in the Series 2005 A Bonds Construction Trust Fund to pay principal of or interest on the Series 2005 A Bonds in the event of a payment default.

(b) The Ordinance provisions describing Events of Default shall specify that in determining whether a payment default has occurred or whether a payment on the Series 2005 A Bonds has been made under the Ordinance, no effect shall be given to payments made under the Municipal Bond Insurance Policy.

(c) Any acceleration of the Series 2005 A Bonds or any annulment thereof shall be subject to the prior written consent of the Bond Insurer (if it has not failed to comply with its payment obligations under the Municipal Bond Insurance Policy).

(d) The Bond Insurer shall receive immediate notice of any payment default and notice of any other default known to the Issuer within 30 days of the Issuer's knowledge thereof.

(e) For all purposes of the Ordinance provisions governing Events of Default and remedies, except the giving of notice of default to Bondholders, the Bond Insurer shall be deemed to be the sole holder of the Series 2005 A Bonds.

(f) The Bond Insurer shall be included as a party in interest and as a party entitled to (I) notify the Issuer or an applicable receiver of the occurrence of an Event of Default and (ii) request the receiver to intervene in judicial proceedings that affect the Series 2005 A Bonds or the security therefor. The receiver shall be required to accept notice of default from the Bond Insurer.

3. Amendments and Supplements. Any amendment or supplement to the Ordinance or other principal bond documents shall be subject to the prior written consent of the Bond Insurer. Any rating agency

rating the Series 2005 A Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption. The Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution or any such amendment or supplement.

4. Successors. No resignation or removal of the Paying Agent or Registrar shall become effective until a successor has been appointed and has accepted the duties of Paying Agent or Registrar, as applicable. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Paying Agent or Registrar and the appointment of any successor thereto.

5. Defeasance Provisions. Only cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing) shall be used to effect defeasance of the Series 2005 A Bonds unless the Bond Insurer otherwise approves. In the event of an advance refunding, the Issuer shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (I) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed instruments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the authorizing document, if no separate escrow agreement is utilized), the terms of the escrow agreement or authorizing document, if applicable, shall be controlling.

6. Variable Rate Indebtedness.

(a) For all purposes, variable rate indebtedness shall be assumed to bear interest at the highest of: (I) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve

months, the average rate over the twelve months immediately preceding the date of calculation, or if no debt is outstanding for the twelve prior months under the authorizing document, the average rate borne by reference to an index comparable to that to be utilized by determining the interest rate for the debt to be issued and (iii) (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Bond Buyer "Revenue Bond Index" (or comparable index if no longer published), or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities; provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

7. Reporting Requirements. The Bond Insurer shall be provided with the following information:

(a) Notice of any drawing upon or deficiency due to market fluctuation in the amount, if any, on deposit, in the debt service reserve fund;

(b) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Series 2005 A Bonds, or of any advance refunding of the Series 2005 A Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(c) Notice of any material events pursuant to Rule 15c2-12 under the Securities Exchange Art of 1934; and

(d) Such additional information as the Bond Insurer may reasonably request from time to time.

8. Payments Unconditional. In the case of bond issues payable from amounts received under a loan agreement, lease, or other payment contract ("Payment Agreement"), the payment obligations under said Payment Agreement shall be absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever.

9. Reimbursement of Expenses. The following provision shall be incorporated into the Ordinance: The Issuer shall pay or reimburse the Bond Insurer for any and all charges, fees, costs, and expenses that the Bond Insurer may reasonably pay or incur in connection with the following: (I) the administration, enforcement, defense, or preservation of any rights or security hereunder or under any other transaction document, (ii) the pursuit of any remedies hereunder, under any other transaction document, or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to or related to this Ordinance or any other transaction 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; (v) any advances or payments made by the Bond Insurer to cure defaults of the Issuer under the Ordinance or other transaction documents; or (vi) any litigation or other dispute in connection with this Ordinance, any other transaction document, or the transactions contemplated hereby or thereby, other than amounts resulting form the failure of the Bond Insurer to honor its payment obligations under the 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 this Ordinance or any other transaction document. The obligations of the Issuer to the Bond Insurer shall survive discharge and termination of the Ordinance.

10. Claim Procedures. The following claim procedures shall be incorporated into the Ordinance:

(a) If, on the third day preceding any interest payment date for the Series 2005 A Bonds there is not on deposit with the Paying Agent sufficient monies available to pay all principal of and interest on the Series 2005 A Bonds due on such date, the Paying Agent shall immediately notify the Registrar, the Bond Insurer and U.S. Bank Trust National Association, New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the Issuer has not provided the amount of such deficiency, the Registrar shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the Series 2005 A Bonds maintained by the Registrar. In addition:

(i) The Registrar shall provide the Bond Insurer with a list of the Bondholders entitled to receive principal

or interest payments from the Bond Insurer under the terms of the Municipal Bond Insurance Policy and shall make arrangements for the Bond Insurer and its Fiscal Agent (1) to mail checks or drafts to Bondholders entitled to receive full or partial interest payments from the Bond Insurer and (2) to pay principal of the Series 2005 A Bonds surrendered to the Fiscal Agent by the Bondholders entitled to receive full or partial principal payments from the Bond Insurer; and

(ii) The Registrar shall, at the time it makes the registration books available to the Bond Insurer pursuant to (i) above, notify Bondholders entitled to receive the payment of principal and interest on the Series 2005 A Bonds from the Bond Insurer (1) as to the fact of such entitlement, (2) that the Bond Insurer will remit to them all or part of the interest payments coming due subject to the terms of the Municipal Bond Insurance Policy, (3) that, except as provided in paragraph (b) below, in the event that any Bondholder is entitled to receive full payment of principal from the Bond Insurer, such Bondholder must tender his Series 2005 A Bond with the instrument of transfer in the form provided on the Bond executed in the name of Bond Insurer, and (4) that, except as provided in paragraph (b) below, in the event that such Bondholder is entitled to receive partial payment of principal from the Bond Insurer, such Bondholder must tender his Series 2005 A Bond for payment first to the Paying Agent, which shall note on such Series 2005 A Bond the portion of principal paid by the Paying Agent, and then, with an acceptable form of assignment executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Bondholder subject to the terms of the Municipal Bond Insurance Policy.

(b) In the event that the Paying Agent has notice that any payment of principal of or interest on a Series 2005 A Bond has been recovered from a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final nonappealable order of a court having competent jurisdiction, the

Paying Agent shall, at the time it provides notice to the Bond Insurer, notify all Bondholders that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Paying Agent shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the Series 2005 A Bonds which have been made by the Paying Agent and subsequently recovered from Bondholders, and the dates on which such payments were made.

(c) The Bond Insurer shall, to the extent it makes payment of principal of or interest on the Series 2005 A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Registrar upon receipt from the Bond Insurer of proof of the payment of interest thereon to the Bondholders of such Series 2005 A Bonds and (ii) in the case of subrogation as to claims for past due principal, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the Series 2005 A Bonds maintained by the Registrar upon receipt of proof of the payment of principal thereof to the Bondholders of such Series 2005 A Bonds. Notwithstanding anything in the Ordinance or the Series 2005 A Bonds to the contrary, the Paying Agent shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bond Insurer is a subrogee with respect thereto.

Section 11. The firms of Crews & Associates, Inc., Charleston, West Virginia, and Ferris, Baker Watts, Incorporated, Charleston, West Virginia are hereby engaged for the purpose of serving as Underwriters with respect to the Series 2005 A Bonds.

Section 12. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, for the purpose of serving in the capacity of Registrar and United Bank, Inc., Parkersburg, West Virginia, as Depository Bank.

Section 13. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 14. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby engaged for the purpose of serving as Bond Counsel with respect to the Series 2005 A Bonds.

Section 15. The notice addresses for the Registrar, Paying Agent, Depository Bank, the Bond Insurer and the Fiscal Agent of the Bond Insurer shall be as follows:

REGISTRAR

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

DEPOSITORY BANK

United Bank, Inc.
514 Market Street
Parkersburg, West Virginia 26101-5144

PAYING AGENT

West Virginia Municipal Bond Commission
Suite 500
8 Capitol Street
Charleston, West Virginia 25301
Attention: Executive Director

BOND INSURER

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Risk Management

FISCAL AGENT

U. S. Bank Trust National Association
100 Wall Street
19th Floor
New York, New York 10005
Attention: Corporate Trust Department

Section 16. The proceeds of the Series 2005 A Bonds in an amount sufficient to pay the outstanding principal of, interest on and redemption premium for the Series 2003 C shall be wired directly to the West Virginia Municipal Bond Commission on

the Closing Date to accomplish the payment of the entire outstanding principal balance of and all accrued interest on the Series 2003 C Bonds.

Section 17. The Issuer hereby approves proceeds of the Series 2005 A Bonds in an amount sufficient to fully fund the Series 2005 A Bonds Reserve Account to be deposited therein on the Closing Date.

Section 18. Proceeds of the Series 2005 A Bonds shall be applied as set forth herein. The proceeds of the Series 2005 A Bonds representing accrued interest shall be deposited in the Series 2005 A Bonds Sinking Fund held by the Commission.

Section 19. The Council hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2005 A Bonds or any other funds of the Council to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2005 A Bonds or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the City is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the City's compliance with this covenant.

Section 20. Under the provisions of the Act, and as provided in the Ordinance and the Series 2005 A Bonds, the Series 2005 A 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 2005 A 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 2005 A Bonds and the interest thereon.

Section 21. The Mayor, the City Clerk and all other appropriate officers and employees of the City are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the issuance of the Series 2005 A Bonds to the end that the Series 2005 A Bonds may be delivered at the earliest practicable date to the Underwriters.

Section 22. The Mayor, the City Clerk and all other appropriate officers and employees of the City are hereby authorized and directed to take all further actions necessary to cause the Series 2005 A Bonds to be insured by the Bond Insurer or such other municipal bond insurance company as is acceptable to the Underwriters.

Section 23. The Mayor, the City Clerk, and all other appropriate officers and employees of the City are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2005 A Bonds to be duly and properly issued by the City and delivered to the Underwriters as herein authorized and to otherwise facilitate the transaction contemplated by this Resolution, and no further authority shall be necessary

to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required, provided that the Council must subsequently approve the final terms of sale of the Series 2005 A Bonds to the Underwriters.

Section 24. This Resolution shall take effect immediately upon its adoption.

Adopted this 26th day of July, 2005.

THE CITY OF PARKERSBURG

[SEAL]

By: _____
Mayor

ATTEST:

Its: _____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted and entered of record by the Council of The City of Parkersburg at a regular meeting of the Council held at 7:30 p.m., on July 26, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 15th day of August, 2005.

[SEAL]

Connie Shaffer
City Clerk

07/26/05
686870.00012

SECOND SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION CLARIFYING CERTAIN PROVISIONS OF THE ORDINANCE AUTHORIZING THE ISSUANCE OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (INSURED) OF THE CITY OF PARKERSBURG.

WHEREAS, The City of Parkersburg (the "City"), in the County of Wood, State of West Virginia, is a municipal corporation of said State, the governing body of which is this Council (the "Council");

WHEREAS, the Council duly enacted on July 26, 2005, a bond authorizing ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE ISSUER'S OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $40,000,000, AND COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2005 A OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Council has determined that certain provisions of the Ordinance contained errors (typographical and otherwise) which should be clarified through the adoption of this Second Supplemental Resolution;

WHEREAS, the Council has been advised by Bond Counsel that none of the clarifications are materially adverse to the holders of the Series 2005 A Bonds or the Bond Insurer; and

WHEREAS, the Council hereby offers the following clarification of the certain provisions of the Ordinance.

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

Section 1. The following paragraphs of the Ordinance shall read as set forth below:

Section 4.03(A.)(5)

The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund a sum equal to not less than 5% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account.

Section 6.12

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 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, including penalties and reconnect fees, have been fully paid, or a payment agreement in compliance with the West Virginia Public Service Commission regulations has been entered.

Section 6.15

The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Holder of Bonds or Notes or anyone acting for and in behalf of such Holder who requests the same.

Section 2. This Resolution shall be effective immediately.

Adopted this 13th day of September, 2005.

THE CITY OF PARKERSBURG

[SEAL]

By: _____
Mayor

ATTEST:

Its: _____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Ratifying Resolution duly adopted and entered of record by the Council of The City of Parkersburg at a regular meeting of the Council held at 7:30 p.m., on September 13, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 13th day of September, 2005.

[SEAL]

Connie Siggins
City Clerk

09/11/05
686870.00012

CH777297.1

SUPPLEMENTAL RATIFYING RESOLUTION

SUPPLEMENTAL RESOLUTION RATIFYING THE MAYOR'S EXECUTION OF THE BOND PURCHASE AGREEMENT AND APPROVAL OF THE TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (INSURED) OF THE CITY OF PARKERSBURG.

WHEREAS, The City of Parkersburg (the "City"), in the County of Wood, State of West Virginia, is a municipal corporation of said State, the governing body of which is this Council (the "Council");

WHEREAS, the Council duly adopted on July 26, 2005, a supplemental parameters resolution (the "Supplemental Parameters Resolution") entitled:

RESOLUTION OF THE COUNCIL OF THE CITY OF PARKERSBURG AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (INSURED) AND TERMS OF SUCH BONDS; AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Supplemental Parameters Resolution when used herein;

WHEREAS, the Council determined in the Supplemental Parameters Resolution that, in order to obtain the best possible interest rate for the City in the current interest rate environment, the Mayor be empowered and authorized to execute the Bond Purchase Agreement and approve the terms of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Insured) (the "Series 2005 A Bonds"), within the parameters set forth therein, at such time as the Mayor shall determine most advantageous to the City, or not at all; and.

Whereas, the Mayor has, pursuant to the terms of and authorization in the Supplemental Parameters Resolution, executed the Bond Purchase Agreement and Council wishes to ratify the Mayor's execution of the Bond Purchase Agreement and approval of the terms of the Series 2005 A Bonds.

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

Section 1. The Supplemental Parameters Resolution empowered and authorized the Mayor to execute the Bond Purchase Agreement on behalf of the City and approve the terms of the Series 2005 A Bonds at such time as the Mayor determined to be most advantageous.

Section 2. On August 4, 2005, the Mayor executed and delivered the Bond Purchase Agreement, thereby approving the sale of the Series 2005 A Bonds, within the parameters set forth in the Supplemental Parameters Resolution.

Section 3. The approval, execution and delivery of the Bond Purchase Agreement by the Mayor, which approved the terms of the Series 2005 A Bonds, as set forth in Exhibit A hereto and incorporated herein, pursuant to the parameters set forth in the Supplemental Parameters Resolution is hereby ratified, confirmed and approved.

Section 4. This Resolution shall be effective immediately.

Adopted this 9th day of August, 2005.

THE CITY OF PARKERSBURG

[SEAL]

By: _____
Mayor

ATTEST:

Its: _____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Ratifying Resolution duly adopted and entered of record by the Council of The City of Parkersburg at a regular meeting of the Council held at 7:30 p.m., on August 9, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 15th day of August, 2005.

[SEAL]

City Clerk

08/05/05
686870.00012

CH770362.1

EXHIBIT A

BOND PURCHASE AGREEMENT

(SEE TAB NO. 36)

2005A

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Project Summary

Dated 08/01/2005 | Delivered 08/15/2005

Sources Of Funds	
Par Amount of Bonds	$34,950,000.00
Reoffering Premium	118,503.00
Accrued Interest from 08/01/2005 to 08/15/2005	54,869.50
Total Sources	$35,123,372.50

Uses Of Funds	
Deposit to Project Construction Fund	31,749,000.00
Deposit to Debt Service Reserve Fund (DSRF)	2,622,775.00
Gross Bond Insurance Premium (76.0 bp)	398,331.81
Total Underwriter's Discount (0.503%)	175,798.50
Costs of Issuance	122,000.00
Deposit to Debt Service Fund	54,869.50
Rounding Amount	597.69
Total Uses	$35,123,372.50

Flow of Funds Detail

State and Local Government Series (SLGS) rates for

Date of OMP Candidates

Project Construction Fund Solution Method	Net Funded
Total Cost of Investments	$31,749,000.00
Total Draws	$31,749,000.00

Debt Service Reserve Fund Solution Method	Gross Funded
Total Cost of Investments	$2,622,775.00
Total Draws	$2,622,775.00

Bond Statistics

Average Life	11.802 Years
Average Coupon	4.2333341%
Net Interest Cost (NIC)	4.2472243%
Bond Yield for Arbitrage Purposes	4.2947166%
True Interest Cost (TIC)	4.2326348%
All Inclusive Cost (AIC)	4.4037605%

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S	Fiscal Total
08/15/2005	-	-	-	-	-	-	-
02/01/2006	-	-	705,465.00	705,465.00	-	705,465.00	-
08/01/2006	1,210,000.00	3.000%	705,465.00	1,915,465.00	-	1,915,465.00	2,620,930.00
02/01/2007	-	-	687,315.00	687,315.00	-	687,315.00	-
08/01/2007	1,245,000.00	3.000%	687,315.00	1,932,315.00	-	1,932,315.00	2,619,630.00
02/01/2008	-	-	668,640.00	668,640.00	-	668,640.00	-
08/01/2008	1,285,000.00	3.100%	668,640.00	1,953,640.00	-	1,953,640.00	2,622,280.00
02/01/2009	-	-	648,722.50	648,722.50	-	648,722.50	-
08/01/2009	1,325,000.00	3.200%	648,722.50	1,973,722.50	-	1,973,722.50	2,622,445.00
02/01/2010	-	-	627,522.50	627,522.50	-	627,522.50	-
08/01/2010	1,365,000.00	3.300%	627,522.50	1,992,522.50	-	1,992,522.50	2,620,045.00
02/01/2011	-	-	605,000.00	605,000.00	-	605,000.00	-
08/01/2011	1,410,000.00	4.000%	605,000.00	2,015,000.00	-	2,015,000.00	2,620,000.00
02/01/2012	-	-	576,800.00	576,800.00	-	576,800.00	-
08/01/2012	1,465,000.00	4.000%	576,800.00	2,041,800.00	-	2,041,800.00	2,618,600.00
02/01/2013	-	-	547,500.00	547,500.00	-	547,500.00	-
08/01/2013	1,525,000.00	4.000%	547,500.00	2,072,500.00	-	2,072,500.00	2,620,000.00
02/01/2014	-	-	517,000.00	517,000.00	-	517,000.00	-
08/01/2014	1,585,000.00	4.000%	517,000.00	2,102,000.00	-	2,102,000.00	2,619,000.00
02/01/2015	-	-	485,300.00	485,300.00	-	485,300.00	-
08/01/2015	1,650,000.00	4.000%	485,300.00	2,135,300.00	-	2,135,300.00	2,620,600.00
02/01/2016	-	-	452,300.00	452,300.00	-	452,300.00	-
08/01/2016	1,715,000.00	4.000%	452,300.00	2,167,300.00	-	2,167,300.00	2,619,600.00
02/01/2017	-	-	418,000.00	418,000.00	-	418,000.00	-
08/01/2017	1,785,000.00	4.000%	418,000.00	2,203,000.00	-	2,203,000.00	2,621,000.00
02/01/2018	-	-	382,300.00	382,300.00	-	382,300.00	-
08/01/2018	1,855,000.00	4.000%	382,300.00	2,237,300.00	-	2,237,300.00	2,619,600.00
02/01/2019	-	-	345,200.00	345,200.00	-	345,200.00	-
08/01/2019	1,930,000.00	5.000%	345,200.00	2,275,200.00	-	2,275,200.00	2,620,400.00
02/01/2020	-	-	296,950.00	296,950.00	-	296,950.00	-
08/01/2020	2,025,000.00	4.500%	296,950.00	2,321,950.00	-	2,321,950.00	2,618,900.00
02/01/2021	-	-	251,387.50	251,387.50	-	251,387.50	-
08/01/2021	2,120,000.00	4.500%	251,387.50	2,371,387.50	-	2,371,387.50	2,622,775.00
02/01/2022	-	-	203,687.50	203,687.50	-	203,687.50	-
08/01/2022	2,215,000.00	4.500%	203,687.50	2,418,687.50	-	2,418,687.50	2,622,375.00
02/01/2023	-	-	153,850.00	153,850.00	-	153,850.00	-
08/01/2023	2,315,000.00	4.250%	153,850.00	2,468,850.00	-	2,468,850.00	2,622,700.00
02/01/2024	-	-	104,656.25	104,656.25	-	104,656.25	-
08/01/2024	2,410,000.00	4.250%	104,656.25	2,514,656.25	-	2,514,656.25	2,619,312.50
02/01/2025	-	-	53,443.75	53,443.75	-	53,443.75	-
08/01/2025	2,515,000.00	4.250%	53,443.75	2,568,443.75	(2,622,775.00)	(54,331.25)	(887.50)
Total	$34,950,000.00	-	$17,462,080.00	$52,412,080.00	(2,622,775.00)	$49,789,305.00	-

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
08/01/2006	1,210,000.00	3.000%	1,410,930.00	2,620,930.00
08/01/2007	1,245,000.00	3.000%	1,374,630.00	2,619,630.00
08/01/2008	1,285,000.00	3.100%	1,337,280.00	2,622,280.00
08/01/2009	1,325,000.00	3.200%	1,297,445.00	2,622,445.00
08/01/2010	1,365,000.00	3.300%	1,255,045.00	2,620,045.00
08/01/2011	1,410,000.00	4.000%	1,210,000.00	2,620,000.00
08/01/2012	1,465,000.00	4.000%	1,153,600.00	2,618,600.00
08/01/2013	1,525,000.00	4.000%	1,095,000.00	2,620,000.00
08/01/2014	1,585,000.00	4.000%	1,034,000.00	2,619,000.00
08/01/2015	1,650,000.00	4.000%	970,600.00	2,620,600.00
08/01/2016	1,715,000.00	4.000%	904,600.00	2,619,600.00
08/01/2017	1,785,000.00	4.000%	836,000.00	2,621,000.00
08/01/2018	1,855,000.00	4.000%	764,600.00	2,619,600.00
08/01/2019	1,930,000.00	5.000%	690,400.00	2,620,400.00
08/01/2020	2,025,000.00	4.500%	593,900.00	2,618,900.00
08/01/2021	2,120,000.00	4.500%	502,775.00	2,622,775.00
08/01/2022	2,215,000.00	4.500%	407,375.00	2,622,375.00
08/01/2023	2,315,000.00	4.250%	307,700.00	2,622,700.00
08/01/2024	2,410,000.00	4.250%	209,312.50	2,619,312.50
08/01/2025	2,515,000.00	4.250%	106,887.50	2,621,887.50
Total	**$34,950,000.00**	-	**$17,462,080.00**	**$52,412,080.00**

Yield Statistics

Accrued Interest from 08/01/2005 to 08/15/2005	54,869.50
Bond Year Dollars	$412,490.00
Average Life	11.802 Years
Average Coupon	4.2333341%
Net Interest Cost (NIC)	4.2472243%
True Interest Cost (TIC)	4.2326348%
Bond Yield for Arbitrage Purposes	4.2947166%
All Inclusive Cost (AIC)	4.4037605%

IRS Form 8038

Net Interest Cost	4.2003556%
Weighted Average Maturity	11.737 Years

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
08/01/2006	Serial Coupon	3.000%	2.850%	1,210,000.00	100.140%		1,211,694.00
08/01/2007	Serial Coupon	3.000%	3.000%	1,245,000.00	100.000%		1,245,000.00
08/01/2008	Serial Coupon	3.100%	3.150%	1,285,000.00	99.858%		1,283,175.30
08/01/2009	Serial Coupon	3.200%	3.270%	1,325,000.00	99.740%		1,321,555.00
08/01/2010	Serial Coupon	3.300%	3.380%	1,365,000.00	99.636%		1,360,031.40
08/01/2011	Serial Coupon	4.000%	3.560%	1,410,000.00	102.343%		1,443,036.30
08/01/2012	Serial Coupon	4.000%	3.680%	1,465,000.00	101.948%		1,493,538.20
08/01/2013	Serial Coupon	4.000%	3.770%	1,525,000.00	101.567%		1,548,896.75
08/01/2014	Serial Coupon	4.000%	3.860%	1,585,000.00	101.050%		1,601,642.50
08/01/2015	Serial Coupon	4.000%	4.000%	1,650,000.00	100.000%		1,650,000.00
08/01/2016	Serial Coupon	4.000%	4.040%	1,715,000.00	99.647%		1,708,946.05
08/01/2017	Serial Coupon	4.000%	4.080%	1,785,000.00	99.247%		1,771,558.95
08/01/2018	Serial Coupon	4.000%	4.130%	1,855,000.00	98.703%		1,830,940.65
08/01/2019	Serial Coupon	5.000%	4.080%	1,930,000.00	107.467%	c	2,074,113.10
08/01/2022	Term 1 Coupon	4.500%	4.330%	6,360,000.00	101.362%	c	6,446,623.20
08/01/2025	Term 2 Coupon	4.250%	4.420%	7,240,000.00	97.759%		7,077,751.60
Total		-	-	$34,950,000.00	-	-	$35,068,503.00

Bid Information

Par Amount of Bonds	$34,950,000.00
Reoffering Premium or (Discount)	118,503.00
Gross Production	$35,068,503.00
Total Underwriter's Discount (0.503%)	$(175,798.50)
Bid (99.836%)	34,892,704.50
Accrued Interest from 08/01/2005 to 08/15/2005	54,869.50
Total Purchase Price	$34,947,574.00
Bond Year Dollars	$412,490.00
Average Life	11.802 Years
Average Coupon	4.2333341%
Net Interest Cost (NIC)	4.2472243%
True Interest Cost (TIC)	4.2326348%

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Proof of Premium Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
08/01/2019	-	-	2,075,539.57	No
08/01/2019	08/01/2015	100.000%	2,043,094.54	Yes

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
08/15/2005	-	-	-
02/01/2006	-	705,465.00	705,465.00
08/01/2006	1,210,000.00	705,465.00	1,915,465.00
02/01/2007	-	687,315.00	687,315.00
08/01/2007	1,245,000.00	687,315.00	1,932,315.00
02/01/2008	-	668,640.00	668,640.00
08/01/2008	1,285,000.00	668,640.00	1,953,640.00
02/01/2009	-	648,722.50	648,722.50
08/01/2009	1,325,000.00	648,722.50	1,973,722.50
02/01/2010	-	627,522.50	627,522.50
08/01/2010	1,365,000.00	627,522.50	1,992,522.50
02/01/2011	-	605,000.00	605,000.00
08/01/2011	1,410,000.00	605,000.00	2,015,000.00
02/01/2012	-	576,800.00	576,800.00
08/01/2012	1,465,000.00	576,800.00	2,041,800.00
02/01/2013	-	547,500.00	547,500.00
08/01/2013	1,525,000.00	547,500.00	2,072,500.00
02/01/2014	-	517,000.00	517,000.00
08/01/2014	1,585,000.00	517,000.00	2,102,000.00
02/01/2015	-	485,300.00	485,300.00
08/01/2015	3,580,000.00	485,300.00	4,065,300.00
02/01/2016	-	404,050.00	404,050.00
08/01/2016	1,715,000.00	404,050.00	2,119,050.00
02/01/2017	-	369,750.00	369,750.00
08/01/2017	1,785,000.00	369,750.00	2,154,750.00
02/01/2018	-	334,050.00	334,050.00
08/01/2018	1,855,000.00	334,050.00	2,189,050.00
02/01/2019	-	296,950.00	296,950.00
08/01/2019	-	296,950.00	296,950.00
02/01/2020	-	296,950.00	296,950.00
08/01/2020	2,025,000.00	296,950.00	2,321,950.00
02/01/2021	-	251,387.50	251,387.50
08/01/2021	2,120,000.00	251,387.50	2,371,387.50
02/01/2022	-	203,687.50	203,687.50
08/01/2022	2,215,000.00	203,687.50	2,418,687.50
02/01/2023	-	153,850.00	153,850.00
08/01/2023	2,315,000.00	153,850.00	2,468,850.00
02/01/2024	-	104,656.25	104,656.25
08/01/2024	2,410,000.00	104,656.25	2,514,656.25
02/01/2025	-	53,443.75	53,443.75
08/01/2025	2,515,000.00	53,443.75	2,568,443.75
Total	**$34,950,000.00**	**$17,076,080.00**	**$52,026,080.00**

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Proof Of Bond Yield @ 4.2947166%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
08/15/2005	-	1.0000000x	-	-
02/01/2006	705,465.00	0.9805969x	691,776.81	691,776.81
08/01/2006	1,915,465.00	0.9599827x	1,838,813.18	2,530,589.99
02/01/2007	687,315.00	0.9398017x	645,939.84	3,176,529.83
08/01/2007	1,932,315.00	0.9200451x	1,777,816.91	4,954,346.74
02/01/2008	668,640.00	0.9007037x	602,246.55	5,556,593.29
08/01/2008	1,953,640.00	0.8817690x	1,722,659.20	7,279,252.49
02/01/2009	648,722.50	0.8632323x	559,998.22	7,839,250.71
08/01/2009	1,973,722.50	0.8450853x	1,667,963.88	9,507,214.59
02/01/2010	627,522.50	0.8273198x	519,161.78	10,026,376.37
08/01/2010	1,992,522.50	0.8099277x	1,613,799.23	11,640,175.61
02/01/2011	605,000.00	0.7929013x	479,705.29	12,119,880.89
08/01/2011	2,015,000.00	0.7762328x	1,564,109.10	13,683,989.99
02/01/2012	576,800.00	0.7599147x	438,318.81	14,122,308.80
08/01/2012	2,041,800.00	0.7439397x	1,518,976.00	15,641,284.80
02/01/2013	547,500.00	0.7283004x	398,744.49	16,040,029.29
08/01/2013	2,072,500.00	0.7129900x	1,477,671.76	17,517,701.04
02/01/2014	517,000.00	0.6980014x	360,866.72	17,878,567.77
08/01/2014	2,102,000.00	0.6833279x	1,436,355.25	19,314,923.01
02/01/2015	485,300.00	0.6689629x	324,647.68	19,639,570.69
08/01/2015	4,065,300.00	0.6548998x	2,662,364.26	22,301,934.95
02/01/2016	404,050.00	0.6411324x	259,049.55	22,560,984.51
08/01/2016	2,119,050.00	0.6276544x	1,330,031.11	23,891,015.62
02/01/2017	369,750.00	0.6144598x	227,196.50	24,118,212.12
08/01/2017	2,154,750.00	0.6015425x	1,296,173.70	25,414,385.82
02/01/2018	334,050.00	0.5888968x	196,720.97	25,611,106.79
08/01/2018	2,189,050.00	0.5765169x	1,262,024.30	26,873,131.09
02/01/2019	296,950.00	0.5643973x	167,597.77	27,040,728.86
08/01/2019	296,950.00	0.5525324x	164,074.50	27,204,803.36
02/01/2020	296,950.00	0.5409170x	160,625.30	27,365,428.66
08/01/2020	2,321,950.00	0.5295457x	1,229,578.73	28,595,007.39
02/01/2021	251,387.50	0.5184135x	130,322.68	28,725,330.07
08/01/2021	2,371,387.50	0.5075154x	1,203,515.61	29,928,845.68
02/01/2022	203,687.50	0.4968463x	101,201.38	30,030,047.06
08/01/2022	2,418,687.50	0.4864015x	1,176,453.27	31,206,500.33
02/01/2023	153,850.00	0.4761763x	73,259.72	31,279,760.05
08/01/2023	2,468,850.00	0.4661660x	1,150,894.05	32,430,654.10
02/01/2024	104,656.25	0.4563662x	47,761.58	32,478,415.68
08/01/2024	2,514,656.25	0.4467724x	1,123,479.07	33,601,894.75
02/01/2025	53,443.75	0.4373803x	23,375.24	33,625,270.00
08/01/2025	2,568,443.75	0.4281856x	1,099,770.69	34,725,040.69
Total	**$52,026,080.00**	-	**$34,725,040.69**	-

Derivation Of Target Amount

Par Amount of Bonds	$34,950,000.00
Reoffering Premium or (Discount)	118,503.00
Accrued Interest from 08/01/2005 to 08/15/2005	54,869.50
Bond Insurance Premium..... (76.0 bp)	(398,331.81)
Original Issue Proceeds	$34,725,040.69

Final - Updated

$34,950,000

City of Parkersburg, West Virginia

Combined Waterworks & Sewerage Revenue Bonds

FGIC Insured

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance PRICE	Exponent	Bond Years
08/15/2005	-	-	-	-	-
08/01/2006	1,210,000.00	100.140%	1,211,694.00	0.9611111x	1,164,572.57
08/01/2007	1,245,000.00	100.000%	1,245,000.00	1.9611111x	2,441,583.33
08/01/2008	1,285,000.00	99.858%	1,283,175.30	2.9611111x	3,799,624.64
08/01/2009	1,325,000.00	99.740%	1,321,555.00	3.9611111x	5,234,826.19
08/01/2010	1,365,000.00	99.636%	1,360,031.40	4.9611111x	6,747,266.89
08/01/2011	1,410,000.00	102.343%	1,443,036.30	5.9611111x	8,602,099.72
08/01/2012	1,465,000.00	101.948%	1,493,538.20	6.9611111x	10,396,685.36
08/01/2013	1,525,000.00	101.567%	1,548,896.75	7.9611111x	12,330,939.13
08/01/2014	1,585,000.00	101.050%	1,601,642.50	8.9611111x	14,352,496.40
08/01/2015	1,650,000.00	100.000%	1,650,000.00	9.9611111x	16,435,833.33
08/01/2016	1,715,000.00	99.647%	1,708,946.05	10.9611111x	18,731,947.54
08/01/2017	1,785,000.00	99.247%	1,771,558.95	11.9611111x	21,189,813.44
08/01/2018	1,855,000.00	98.703%	1,830,940.65	12.9611111x	23,731,025.20
08/01/2019	1,930,000.00	107.467%	2,074,113.10	13.9611111x	28,956,923.45
08/01/2020	2,025,000.00	101.362%	2,052,580.50	14.9611111x	30,708,884.93
08/01/2021	2,120,000.00	101.362%	2,148,874.40	15.9611111x	34,298,423.06
08/01/2022	2,215,000.00	101.362%	2,245,168.30	16.9611111x	38,080,549.00
08/01/2023	2,315,000.00	97.759%	2,263,120.85	17.9611111x	40,648,165.04
08/01/2024	2,410,000.00	97.759%	2,355,991.90	18.9611111x	44,672,224.19
08/01/2025	2,515,000.00	97.759%	2,458,638.85	19.9611111x	49,077,163.27
Total	**$34,950,000.00**	-	**$35,068,503.00**	-	**$411,601,046.68**

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	11.737 Years
Total Interest from Debt Service	17,462,080.00
Accrued Interest from 08/01/2005 to 08/15/2005	(54,869.50)
Reoffering (Premium) or Discount	(118,503.00)
Total Interest	17,288,707.50
NIC = Interest / (Issue Price * Average Maturity)	4.2003556%
Bond Yield for Arbitrage Purposes	4.2947166%

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

7

$1,210,000

No. AR-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.000%	August 1, 2006	August 1, 2005	701352 BD 7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

$1,245,000

No. AR-2

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.000%	August 1, 2007	August 1, 2005	701352 BE 5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-3

$1,285,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.100%	August 1, 2008	August 1, 2005	701352 BF 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-4

$1,325,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.200%	August 1, 2009	August 1, 2005	701352 BG 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

...as provided in the Ordinance, this global bond may be transferred, in whole but not in part, only ...nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor ...unless this Bond is presented by an authorized representative of The Depository Trust Company, a ...corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any ...is registered in the name of Cede & Co. or in such other name as is requested by an authorized ...of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an ...authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR ...OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & ...Co., has a interest herein.

$1,365,000

No. R-5

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE:	MATURITY DATE	BOND DATE	CUSIP NO.
4.30%	August 1, 2010	August 1, 2005	701352 BH 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED SIXTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on such 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,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

7

$1,410,000

No. AR-6

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	August 1, 2011	August 1, 2005	701352 BJ 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-7 $1,465,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BOND, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	August 1, 2012	August 1, 2005	701352 BK 1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED SIXTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-8 $1,525,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	August 1, 2013	August 1, 2005	701352 BL 9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-9

$1,585,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	August 1, 2014	August 1, 2005	701352 BM 7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on such 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

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-10 $1,650,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	August 1, 2015	August 1, 2005	701352 BN 5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-11 $1,715,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	August 1, 2016	August 1, 2005	701352 BP 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION SEVEN HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-12 $1,785,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000 %	August 1, 2017	August 1, 2005	701352 BQ 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION SEVEN HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on such Principal Amount from the Interest Payment Date [illegible]

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-13

$1,855,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	August 1, 2018	August 1, 2005	701352 BR 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION EIGHT HUNDRED FIFTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-14

$1,930,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
5.000%	August 1, 2019	August 1, 2005	701352 BS 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

7

$6,360,000

No. AR-15

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.500%	August 1, 2022	August 1, 2005	701352 BT 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX MILLION THREE HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-16

$7,240,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG (WEST VIRGINIA)
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2005 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.250%	August 1, 2025	August 1, 2005	701352 BU 9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN MILLION TWO HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF PARKERSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on February 1 and August 1, in each year, beginning February 1, 2006 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each January 15 and July 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $34,950,000 designated "The City of Parkersburg (West Virginia) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated August 1, 2005, the proceeds of which are to be used (i) to finance the costs of currently refunding the Issuer's Series 2003 C Bonds, (ii) to finance a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the combined waterworks and sewerage system of the Issuer, (iii) to fund the Series 2005 A Bonds Reserve Account, and (iv) to pay certain costs of issuance of the Series 2005 A Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on July 12, 2005, and supplemented by supplemental resolutions adopted by said Council on July 26, 2005, and August 9, 2005 (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 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 August 1, 2016, are subject to redemption at the option of the City, prior to maturity, on or after August 1, 2015, in whole or in part at any time from amounts deposited with the Bond Commission by the City or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Bonds shall be called for optional redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in such manner as it shall determine. So long as the Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Bonds to be credited with any partial redemption shall be made as described under "BOOK-ENTRY ONLY SYSTEM" in the Official Statement.

(B) Mandatory Redemption

The Series 2005 Bonds maturing August 1, 2022, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2005 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on August 1, 2020, and on each August 1 thereafter to and including August 1, 2022, in annual principal amounts as follows:

Bonds Maturing August 1, 2022

Year	Principal Amount
2020	$ 2,025,000
2021	2,120,000
2022*	2,215,000

The principal amount of Series 2005 Bonds maturing August 1, 2022, shall reduce pro tanto the principal amount of Series 2005 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2005 Bonds maturing August 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2005 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on August 1, 2023, and on each August 1 thereafter to and including August 1, 2025, in annual principal amounts as follows:

Bonds Maturing August 1, 2025

Year	Principal Amount
2023	$ 2,315,000
2024	2,410,000
2025*	2,515,000

The principal amount of Series 2005 Bonds maturing August 1, 2025, shall reduce pro tanto the principal amount of Series 2005 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (2) THE 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 (THE "SERIES 2003 B BONDS"), (3) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (4) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), AND (5) 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 "SERIES 1996 BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is 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 Financial Guaranty Insurance Company.

The Bonds and the interest thereon are payable only from and are secured by the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Gross

Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs of acquisition and construction of certain extensions, additions, betterments and improvements to the System, pay capitalized interest on the Bonds, fund a reserve account for the Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

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

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the Bonds, such policy being on file at the principal office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"):

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal or accreted value (if applicable) of and interest on the Bond which is then due for payment and which the City of Parkersburg (the "Issuer) shall have failed to provide. Due for payment means, with respect to principal or accreted value (if applicable), the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which the payment of principal or accreted value (if applicable) of the Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telephonic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Financial Guaranty that the required payment of principal, accreted value or interest (as applicable) has not been made by the Issuer to the Paying Agent, Financial Guaranty on the due date of such payment or within one buseiness day after receipt of notice of such nonpayment, whichiever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such Bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer or the borrower(s) of bond proceeds who at the time of nonpayment of a Bond is entitled under the terms of such Bond to payment thereof.

This policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

IN WITNESS WHEREOF, THE CITY OF PARKERSBURG 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]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: August 15, 2005.

UNITED BANK, INC.,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____

the within Bond and does hereby irrevocably constitute and appoint

_____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

08/09/05
686870.000012

2006 C

THE CITY OF PARKERSBURG, WEST VIRGINIA

TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 B,
TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C
AND
WHEN, AS AND IF ISSUED
COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C

CONFORMED BOND ORDINANCE

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THE CITY OF PARKERSBURG
(WEST VIRGINIA)

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE ISSUER'S OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996; THE ISSUANCE OF TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 A, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000, TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 B, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $1,000,000 AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000, 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 A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND PROVISIONS FOR BOND INSURANCE; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Parkersburg, West Virginia (the "Issuer") presently owns and operates, through the Parkersburg Utility Board (the "Board") a public combined waterworks and sewerage system (the "System") and has heretofore financed the acquisition and construction of the System and certain extensions, additions, betterments and improvements thereto by issuance of several series of bonds, refunding bonds, or notes of which there are presently outstanding the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Series 1996 Bonds"), dated May 1, 1996, and issued in the original aggregate principal amount of $31,250,000, of which approximately $17,420,000 is presently outstanding.

WHEREAS, the Series 1996 Bonds were issued pursuant to an ordinance of the Issuer duly enacted by the council of the Issuer on April 9, 1996, as supplemented by a

supplemental resolution duly adopted by the council of the Issuer on April 23, 1996 (collectively, the "1996 Ordinance");

WHEREAS, the Issuer is advised that current market conditions are such that interest savings would be realized from the refunding of the Series 1996 Bonds;

WHEREAS, under the provisions of Chapter 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), the Issuer is authorized and empowered to issue refunding revenue bonds to refund, pay or discharge all or any part of the outstanding Series 1996 Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and customers to provide for the refunding of the Series 1996 Bonds on their first permitted Redemption Date, being September 1, 2006, in the manner set forth herein through the issuance of an initial series of taxable bonds to be designated "The City of Parkersburg, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 A" (the "Series 2006 A Bonds"), in the maximum aggregate principal amount of not more than $20,000,000, to issue a second series of taxable bonds to be designated "The City of Parkersburg, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 B (the "Series 2006 B Bonds") in the maximum aggregate principal amount of $1,000,000 and, subject to the satisfaction of certain conditions, to issue a subsequent series of tax-exempt bonds to be designated "The City of Parkersburg, West Virginia, Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C" (the "Series 2006 C Bonds"), in the maximum aggregate principal amount of not more than $20,000,000, to provide for the current refunding of the Series 1996 Bonds on June 15, 2006; and

WHEREAS, the Issuer now desires to authorize the refunding of the Series 1996 Bonds as aforesaid, and to provide for the refinancing thereof by the issuance of the Series 2006 C Bonds as hereinafter provided;

WHEREAS, in the event the Series 2006 C Bonds are issued, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 C Bonds as to liens, pledge and source of and security for payment, being the (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000, (ii) 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, (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000, (iv) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705, and (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000. The Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2003 D Bonds, the Series 2003 E Bonds, and the Series 2005 A Bonds are referred to herein collectively as the "Prior Bonds." In the event the Series 2006 C Bonds are not issued, the Series 2006 B Bonds shall rank on a parity with the Series 1996 Bonds and the Prior Bonds as to liens, pledge and source of and security for payment. The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System. The Issuer has met the coverage requirements for issuance of parity bonds of the Prior Bonds and the Prior Ordinances (as hereinafter defined).

WHEREAS, prior to the issuance of the Series 2006 A Bonds and the Series 2006 B Bonds (referred to collectively herein from time to time as the "Series 2006 Bonds"), the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the written consents of the Holders of the Prior Bonds for which such written consents may be required by the ordinances authorizing such bonds (the "Prior Ordinances"), to the issuance of the Series 2006 C Bonds, if issued, and the Series 2006 B Bonds in the event the Series 2006 C Bonds are not issued, on a parity with the Prior Bonds. Other than the Prior Bonds and the Series 1996 Bonds which are being refunded, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

WHEREAS, there are also outstanding obligations of the Issuer which are junior and subordinate to the Prior Bonds as to liens, pledge, and source of and security for payment, being the (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, (ii) Combined Waterworks and Sewerage System Subordinate Notes, Series 2001 B, dated June 28, 2001, issued in the original aggregate principal amount of $124,156, (iii) Combined Waterworks and Sewerage System Subordinate Notes, Series 2002 A, dated January 24, 2002, issued in the original aggregate principal amount of $875,000, all of which are payable from Surplus Revenues (as hereinafter defined) of the System and the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, dated August 16, 2005, issued in the original aggregate principal amount of $9,000,000 (the "Series 2005A Notes", secured by a pledge of the proceeds of bonds to be issued by the Issuer and purchased by the West Virginia Water Development Authority, on behalf of the West Virginia Clean Water State Revolving Fund, as evidenced by the commitment from the West Virginia Clean Water State Revolving Fund, (collectively, the "Prior Notes"). The Series 2006 C Bonds, if issued, and the Series 2006 A Bonds and the Series 2006 B Bonds,

if the Series 2006 C Bonds are not issued, shall be senior and prior with respect to pledge and source of and security for payment and in all other respects to the Prior Notes.

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

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 13, Article 2E and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the 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" means the Utility Board of the Issuer.

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

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

"Bondholder," "Holder of the Bonds," "Owner of the Bonds," "Registered Owner" 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 in the event the Bonds are insured, shall initially mean the Bond Insurer set forth in the Supplemental Resolution.

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

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

"Bonds" means, collectively, the Series 2006 A Bonds, the Series 2006 B Bonds, the Series 2006 C Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Bonds, in substantially the forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C, attached hereto and incorporated herein by reference.

"City" or "Issuer" means The City of Parkersburg, a municipal corporation and political subdivision of the State of West Virginia, in Wood County thereof, and, unless the context clearly indicates otherwise, includes the Governing Body and the Board of the Issuer and any other commission, board or department established by the Issuer to operate and maintain the System.

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

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

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

"Consulting Engineers" means Strand Associates, Inc., Madison, Wisconsin, or any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Series 1996 Bonds, interest accruing or to accrue thereon, redemption premiums, expenses for fiscal or other agents, legal expenses, verification agent expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Bonds and the refunding of the Series 1996 Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

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

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

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

"DTC" means The Depository Trust Company, New York, New York or its successor.

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

"Escrow Agent" means the West Virginia Municipal Bond Commission, as escrow agent under the Escrow Agreement, which shall be appointed pursuant to the Supplemental Resolution.

"Escrow Agreement" means the Escrow Agreement to be entered into between the Issuer and the Escrow Agent, providing for the deposit therein of the proceeds of the Series 2006 A Bonds, if necessary, and a portion of the proceeds of the Series 2006 B Bonds, and, if issued, the Series 2006 C Bonds and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement.

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

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

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

"Governing Body" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council, as it may now or hereafter by constituted.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Independent Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of the 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 and the Prior Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the 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 Bonds, insuring the payment of the principal of and interest on all or any of the 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, if any, deposited in any 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 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 which is acquired with the gross proceeds or any other proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Prior Bonds or the Bonds or Notes, 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" means this Ordinance and all ordinances, orders and resolutions supplemented hereto or amendatory hereof.

"Original Purchaser" means Crew & Associates, Inc. and Ferris, Baker, Watts, Incorporated, as the purchaser of the Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the 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 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that

the Original Purchaser and the Issuer shall agree to the purchase of the Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of the Bonds.

"Outstanding," when used with reference to Bonds, the Prior Bonds, or the Notes and as of any particular date, describes all Bonds and Notes theretofore and thereupon being issued and delivered except (a) any Bond or Note canceled by the registrar for such Bond at or prior to said date; (b) any Bond or Note 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 or Notes for the purpose of consents, notices and the like, any Bond or Note registered to the Issuer.

"Paying Agent" means the Bond Commission or any other Paying Agent designated as such for the Bonds in the Supplemental Resolution, and any successor thereto, appointed in accordance with Section 8.12 hereof.

"Prior Bonds" shall mean, collectively, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2003 D Bonds, the Series 2003 E Bonds, and the Series 2005 A Bonds.

"Prior Notes" means, collectively, the Series 2001 A Notes, the Series 2001 B Notes, the Series 2002 A Notes and Series 2005 A Notes.

"Prior Ordinances" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"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.

"Rebate Fund" means the Rebate Fund created by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of the Series 1996 Bonds, the Series 2006 A Bonds, the Series 2006 B Bonds, the Series 2006 C Bonds or any other Bonds of the Issuer called for redemption, as applicable.

"Redemption Price" means the price at which the Series 1996 Bonds, the Series 2006 A Bonds, the Series 2006 B Bonds, the Series 2006 C Bonds or any other Bonds of the Issuer may be called for redemption and includes the principal amount of such Bonds to be redeemed, plus interest and the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Bonds, and any successor thereto, appointed in accordance with Section 8.08 hereof.

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

"Reserve Accounts" means, collectively, the reserve accounts created for the Series 2006 C Bonds, and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in the respective Reserve Accounts for the Series 2006 C Bonds and the Prior Bonds.

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

"Series 1996 Bonds" means 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.

"Series 2003 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000.

"Series 2003 B Bonds" means the Issuer's 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.

"Series 2003 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000.

"Series 2003 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705.

"Series 2005 A Bonds" means, the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2006, issued in the original aggregate principal amount of $34,950,000.

"Series 2006 A Bonds" means the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 A, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 A Bonds Sinking Fund" means the Series 2006 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2006 B Bonds" means the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 B, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 B Bonds Sinking Fund" means the Series 2006 B Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2006 C Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2006 C Bonds Redemption Account" means the Series 2006 C Bonds Redemption Account created by Section 4.02 hereof.

"Series 2006 C Bonds Reserve Account" means the Series 2006 C Bonds Reserve Account created by Section 4.02 hereof.

"Series 2006 C Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2006 C Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2006 C Bonds in any year; and (iii) 125% of the average amount of principal and interest which will become due on the Series 2006 C Bonds.

"Series 2006 C Bonds Sinking Fund" means the Series 2006 C Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2001 A Notes" means the Issuer's 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.

"Series 2001 B Notes" means the Issuer's 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.

"Series 2002 A Notes" means the Issuer's Combined Waterworks and Sewerage System Subordinate Note, Series 2002 A, dated January 24, 2002, issued in the original aggregate principal amount of $875,000.

"Series 2005 A Notes" means the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, dated August 16, 2005, issued in the original aggregate principal amount of $9,000,000.

"Sinking Funds" means, collectively, the respective sinking funds established for the Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of any series of Bonds, authorizing the sale of such series of Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

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

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

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

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

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

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

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

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

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia, in Wood County of said State.

B. The Issuer now owns and operates, through the Utility Board, the System.

C. The Issuer derives revenues from the System which are pledged for the payment of the Prior Bonds and the Prior Notes. Except for such pledge thereof to secure and pay the Prior Bonds and the Prior Notes, said revenues are not pledged or encumbered in any manner.

D. The Issuer intends to currently refund the Series 1996 Bonds in their entirety on September 1, 2006, with proceeds of the Series 2006 C Bonds and other funds of the Issuer, and prior to such refunding, to issue the Series 2006 A Bonds and the Series 2006 B Bonds.

E. The estimated revenues to be derived in each year from the operation of the System before and after the refunding of the Series 1996 Bonds will be sufficient to pay all Operating Expenses of the System and the principal of and interest on the Series 2006 C Bonds, the Prior Bonds, and the Prior Notes, and to make all other payments provided for in this Ordinance.

F. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2006 C Bonds presented to the Issuer by the Original Purchaser, the Series 2006 C 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 2006 C Bonds.

G. The Issuer shall not sell the Series 2006 A Bonds, the Series 2006 B Bonds or the Series 2006 C Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph F above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2006 C Bonds and the Issuer shall not issue the Series 2006 C Bonds without having obtained from an independent certified public accountant, a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2006 C Bonds and the net interest cost in dollars of the Series 1996 Bonds.

H. Subject to the determination and certification required herein, it is in the best interest of the Issuer and its residents and customers that the Issuer issue the Series 2006 A Bonds, the Series 2006 B Bonds and the Series 2006 C Bonds, secure the Series 2006 A Bonds by a pledge of the proceeds thereof deposited in the Escrow Fund established therefor, and secure the Series 2006 B Bonds and Series 2006 C Bonds from a pledge and assignment of the Gross Revenues derived from the operation of the System, the moneys in the respective Sinking Funds and the moneys or other obligations in the respective Reserve Accounts, unexpended proceeds of such Bonds and as further set forth herein.

I. The Series 2006 A Bonds, Series 2006 B Bonds and Series 2006 C Bonds and the Certificates of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C attached

hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

J. All things necessary to make the Series 2006 A Bonds, Series 2006 B Bonds and Series 2006 C 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 hereunder to the payment of the principal of and interest thereon, will be timely done and duly performed.

K. The enactment of this Ordinance, and the execution and issuance of the Series 2006 A Bonds, the Series 2006 B Bonds and the Series 2006 C 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 such Bondholders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. Subject to the issuance and delivery of the Series 2006 C Bonds on or before June 15, 2006, and other provisions set forth herein, all Series 1996 Bonds Outstanding as of the date of issuance of the Series 2006 C Bonds are hereby ordered to be refunded, and the pledge of Gross Revenues in favor of the Holders of the Series 1996 Bonds imposed by the 1996 Ordinance, the moneys in the funds and accounts created by the 1996 Ordinance and any other funds pledged by the 1996 Ordinance to the payment of the Series 2006 C Bonds are hereby ordered terminated, discharged and released upon the payment to the paying agent for the Series 1996 Bonds, of the Redemption Price thereof from the proceeds of the Series 2006 C Bonds and other moneys available for such purpose. Contemporaneously with the issuance and delivery of the Series 2006 C Bonds, and the deposit of the Redemption Price with the paying agent for the Series 1996 Bonds, the amounts on deposit in the sinking fund, including the reserve account therein, if any, created and maintained on behalf of the Series 1996 Bonds, shall be released from the lien created by the 1996 Ordinance and deposited in the Reserve Account or such other fund or account as shall be set forth in the Supplemental Resolution, and invested as provided thereunder.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF 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, 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, all as shall be set forth in the Bonds.

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 $500,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to the Record 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 City 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 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 3.03. 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 forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C, attached hereto and incorporated herein by reference with respect to the 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 applicable Redemption Account in accordance with Subsection 4.03.A(3) 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 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 applicable 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 the applicable 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 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 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 relating to optional redemption of the Bonds shall also be sent to registered securities depositories.

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 unredeemed principal of such Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

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

Section 3.08. 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 for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. A. For the purpose of facilitating the sale of the Series 2006 C Bonds, thus permitting the refunding of the Series 1996 Bonds, there shall be issued the Series 2006 A Bonds of the Issuer, in an aggregate principal amount

of not more than $20,000,000. The Series 2006 A Bonds shall be designated "The City of Parkersburg, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 A" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2006 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 A Bonds shall be numbered from AR-1 consecutively upward, with appropriate series designation. The Series 2006 A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purpose of facilitating the sale of the Series 2006 C Bonds, thus permitting the refunding of the Series 1996 Bonds, and paying costs of issuance of the Bonds and such refunding, there shall be issued the Series 2006 B Bonds of the Issuer, in an aggregate principal amount of not more than $1,000,000. The Series 2006 B Bonds shall be designated "The City of Parkersburg, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 B" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2006 B Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 B Bonds shall be numbered from BR-1 consecutively upward, with appropriate series designation. The Series 2006 B Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

C. For the purposes of currently refunding the Series 1996 Bonds, funding the Series 2006 C Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2006 C Bonds of the Issuer, in an aggregate principal amount of not more than $20,000,000. The Series 2006 C Bonds shall be designated "The City of Parkersburg, West Virginia, Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2006 C Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2006 C Bonds shall be numbered from CR-1 consecutively upward, with appropriate series designation. The Series 2006 C Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject

to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Bonds. A. The Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the 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 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 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the 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 Bond or any other evidence of ownership of the 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 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 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 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 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 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Bonds so redeemed, but DTC may return such Bonds and make an appropriate notation on the 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 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 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 Bonds, selecting the 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 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 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 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 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 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 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the 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 Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the 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 Bonds.

Section 3.12. Delivery of Bonds. The Issuer shall execute and deliver each applicable series of Bonds to the Registrar, and the Registrar shall authenticate, register and deliver such series of Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the applicable series of 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 applicable series of Bonds to the Original Purchaser;

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

(D) The unqualified approving opinion of Bond Counsel regarding the applicable series of Bonds; and

(E) A copy of the Escrow Agreement and such other documents, certificates and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. The definitive Series 2006 A Bonds, Series 2006 B Bonds and Series 2006 C Bonds shall be in substantially the respective forms set forth in EXHIBIT A, EXHIBIT B and EXHIBIT C, attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Bonds. (A) Upon the issuance and delivery of the Series 2006 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(i) All interest accrued on the Series 2006 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 A Bonds Sinking Fund and applied to payment of interest on the Series 2006 A Bonds at the first interest payment date.

(ii) The balance of the proceeds of the Series 2006 A Bonds shall be deposited in the Escrow Fund.

(B) Upon issuance and delivery of the Series 2006 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(i) All interest accrued on the Series 2006 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 B Bonds Sinking Fund and applied to payment of interest on the Series 2006 B Bonds at the first interest payment date.

(ii) If necessary, an amount of the proceeds of the Series 2006 B Bonds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to fully fund the Escrow Fund (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

(iii) The balance of the proceeds of the Series 2006 B Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Bonds and miscellaneous costs of refunding the Series 1996 Bonds at the written direction of the Issuer. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the Issuer to the Escrow Fund. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Series 2006 A and Series 2006 B Bonds.

(C) Upon the issuance and delivery of the Series 2006 C Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(i) All interest accrued on the Series 2006 C Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2006 C Bonds Sinking Fund and applied to payment of interest on the Series 2006 C Bonds at the first interest payment date.

(ii) An amount of the proceeds of the Series 2006 C Bonds which, together with other moneys or securities available therefor, shall be sufficient to accomplish the current refunding and defeasance of the Series 1996 Bonds shall be paid to the paying agent for the Series 1996 Bonds.

(iii) An amount of the proceeds of the Series 2006 C Bonds equal to the Series 2006 C Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2006 C Bonds Reserve Account, provided that, to the extent the Series 2006 C Bonds Reserve Requirement is satisfied in whole or in part with a reserve account letter of credit, surety bond or other credit facility, or from proceeds of any fund or account established pursuant to the 1996 Ordinance or other funds of the Issuer, proceeds of the Series 2006 C Bonds shall be deposited in the Series 2006 C Bonds Reserve Account only to the

extent needed to satisfy the balance of the Series 2006 C Bonds Reserve Requirement.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with (or continued if previously established by the Prior Ordinances) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

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

(3) Costs of Issuance Fund; and

(4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. A. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Bond Commission separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

(1) Series 2006 A Bonds Sinking Fund;

(2) Series 2006 B Bonds Sinking Fund;

(3) Within the Series 2006 B Bonds Sinking Fund, the Series 2006 C Bonds Redemption Account;

B. Upon issuance of the Series 2006 C Bonds, the following special funds or accounts are hereby created with and shall be held by the Bond Commission separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

(1) Series 2006 C Bonds Sinking Fund;

(2) Within the Series 2006 C Bonds Sinking Fund, the Series 2006 C Bonds Reserve Account; and

(3) Within the Series 2006 C Bonds Sinking Fund, the Series 2006 C Bonds Redemption Account.

Section 4.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Ordinance. Until the Series 2006 C Bonds are issued and the Series 1996 Bonds are defeased, neither the Series 2006 A Bonds nor the Series 2006 B Bonds shall be payable from the Gross Revenues, and all revenues shall be disposed of in accordance with the provisions of the ordinance pursuant to which the Series 1996 Bonds were issued and the Prior Ordinances. Upon issuance of the Series 2006 C Bonds and defeasance of the Series 1996 Bonds, all revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority.

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the interest on the Prior Bonds; and (ii) commencing 6 months prior to the first interest payment date of the Series 2006 C Bonds, for deposit in the Series 2006 C Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2006 C Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 C Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 6 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2006 C Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2006 C Bonds deposited therein.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds the amounts required by the Prior Ordinances to pay the principal of the Prior Bonds; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2006 C Bonds, for deposit in the Series 2006 C Bonds Sinking Fund and in the Series 2006 C Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due

on the Series 2006 C Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 C Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 12 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds the amounts required by the Prior Ordinances; and (ii) for deposit in the Series 2006 C Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2006 C Bonds Reserve Account below the Series 2006 C Bonds Reserve Requirement or any withdrawal from the Series 2006 C Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2006 C Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2006 C Bonds Reserve Account is less than the Series 2006 C Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2006 C Bonds Reserve Account for deposit into the Series 2006 C Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2006 C Bonds Reserve Account to an amount equal to the Series 2006 C Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2006 C Bonds Reserve Account exists, such short fall must be fully replenished within 18 months of the shortfall in equal monthly payments, beginning within 6 months of the occurrence of the shortfall, and provided further, that no payments shall be required to be made into the Series 2006 C Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2006 C Bonds Reserve Requirement. Amounts in the Series 2006 C Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2006 C Bonds when due, when amounts in the Series 2006 C Bonds Sinking Fund are insufficient therefor and for no other purpose.

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

(5) The Issuer shall next, on the first day each month, from the moneys remaining in the Revenue Fund (as previously set forth in the Prior

Ordinances and not in addition thereto), transfer from the Revenue Fund to the Depreciation Fund, a sum equal to not less than 5% 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 moneys from the Depreciation Fund.

(6) In the event the Series 2006 C Bonds are not issued on or before June 15, 2006, the Series 2006 B Bonds shall be payable on a parity with the Series 1996 Bonds and the Prior Bonds, in the same manner and in the order of priority set forth in the Prior Bonds in paragraphs (1), (2) and (3) of this Section 4.03.

Moneys in the Series 2006 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 C Bonds as the same shall become due. Moneys in the Series 2006 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2006 C Bonds, as the same shall come due, when other moneys in the Series 2006 C Bonds Sinking Fund are insufficient therefor, and for no other purpose except for permitted transfers to the Rebate Fund.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 2006 C Bonds Sinking Fund and the Series 2006 C Bonds Reserve Account shall be returned, not less than once each year, by the Bond Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Bonds, and then to the next ensuing principal payments due thereon.

Except with respect to transfers to the Rebate Fund, any withdrawals from the Series 2006 C Bonds Reserve Account which result in a reduction in the balance of the Series 2006 C Bonds Reserve Account to below the Series 2006 C Bonds Reserve Requirement shall be subsequently 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 Bonds are issued, or on a parity with the Series 2006 B Bonds or the Prior Bonds, in the event the Series 2006 C Bonds are not issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish

retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 2006 C Bonds Sinking Fund, or into the Series 2006 C Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2006 C Bonds issued pursuant to this Bond Ordinance then Outstanding and all interest to accrue until the respective maturities thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2006 C Bonds, in accordance with the respective principal amounts then outstanding.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2006 C Bonds Sinking Fund created hereunder, and all amounts required for said account shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

Monies in the Series 2006 C Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2006 B Bonds Sinking Fund created hereunder, and all amounts required for said account shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

Monies in the Series 2006 B Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2006 B Bonds Sinking Fund, the Series 2006 B Bonds Redemption Account, the Series 2006 C Bonds Sinking Fund, the Series 2006 C Bonds Reserve Account and the Series 2006 C Bonds Redemption Account created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 2006 C Bonds Sinking Fund, the Series 2006 C Bonds Reserve Account and the Series 2006 C Bonds Redemption Account shall be invested and reinvested by the Bond Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to the Rebate Fund, the Series 2006 C Bonds Sinking Fund, including the Series 2006 C Bonds Reserve Account therein, shall be used

solely and only for, and are hereby pledged for, the purpose of servicing the Series 2006 C Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Bond Commission the required principal, interest and reserve payments with respect to the Series 2006 C Bonds 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.

C. 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.

D. The Issuer shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond 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 any charges and fees then due.

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

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

G. 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.

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

Section 4.04. Reserve Account Letter of Credit or Surety Bond. In lieu of funding the Series 2006 C Bonds Reserve Account with cash or Qualified Investments, the Series 2006 C Bonds Reserve Requirement may be satisfied by the deposit by the Issuer into

the Series 2006 C Bonds Reserve Account of a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Bond Insurer in an amount at least equal to the Series 2006 C Bonds Reserve Requirement. The Issuer hereby authorizes the purchase of a reserve account letter of credit, a surety bond, or other credit facility satisfactory to the Bond Insurer and the execution and delivery of any applicable reimbursement agreement or note in such forms as shall be described in the Supplemental Resolution.

Section 4.05. Payment of Series 2006 A and Series 2006 B Bonds. The Series 2006 A Bonds, the Series 2006 B Bonds and the interest thereon shall not be payable from the Revenue Fund, the Gross Revenues or the Net Revenues, but shall be payable solely from United States Treasury obligations and/or a guaranteed investment agreement and from proceeds of the Series 2006 A Bonds and Series 2006 B Bonds deposited in the Escrow Fund and earnings thereon and, to the extent such funds are not sufficient, from proceeds of the Series 2006 C Bonds or through the exchange of a like amount of Series 2006 C Bonds for such Series 2006 A Bonds or Series 2006 B Bonds. In the event the Series 2006 C Bonds are not issued on or before June 15, 2006, the Series 1996 Bonds will not be refunded and the amounts then on deposit in the Escrow Fund shall be applied to redemption of the Series 2006 A Bonds. The Series 2006 B Bonds shall remain outstanding and shall then be on a parity as to pledge of Gross Revenues with the Series 1996 Bonds and the Prior Bonds.

ARTICLE V

REGISTRAR AND PAYING AGENT

Section 5.01. Appointment of Registrar. The Registrar for the 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 5.02. 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 and Registration on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 5.01.

Section 5.03. 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 5.04. 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 5.05. 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 5.06. 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 5.07. Removal. The Registrar may be removed at any time by the Issuer, or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 5.08. 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 5.09. 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 5.10. 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 5.08.

Section 5.11. 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 5.12. Paying Agent. The Bond Commission shall serve as the 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 V 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 VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. 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 VI. 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 the 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, all as herein provided. No Holder or Holders of the Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 6.03. Series 2006 B Bonds and Series 2006 C Bonds Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. A. Upon issuance of the Series 2006 C Bonds, the payment of the debt service of the Series 2006 C Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the System, on a parity with the lien on such Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2006 C Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

B. In the event the Series 2006 C Bonds are not issued on or before September 1, 2006, the payment of the debt service of the Series 2006 B Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues from the System, on a parity with the lien on such Gross Revenues in favor of the Holders of the Series 1996 Bonds and the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2006 B Bonds, the 1996 Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 6.04. Rates. Prior to the issuance of the Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the

manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule 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 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 of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of and interest on the Series 2006 C Bonds (or the Series 2006 B Bonds in the event the Series 2006 C Bonds are not issued) and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2006 C Bonds (or the Series 2006 B Bonds in the event the Series 2006 C Bonds are not issued). All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

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 Accountants 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 operate and maintain the System in good condition and as a revenue-producing enterprise in an efficient and economical manner, making all necessary expenditures for equipment, renewal, repair and replacement. The Issuer will also operate and maintain the System in compliance with all federal and state laws.

The Issuer and the Board have obtained all permits required by State and federal laws and all orders and approvals from the Public Service Commission of West Virginia necessary for the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 6.06. Sale of the System. So long as the Prior Bonds and Prior Notes are outstanding, the Issuer shall not sell, mortgage, lease, or otherwise dispose of the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Bonds are outstanding and except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding and Prior Notes, or to effectively defease the pledge created by this

Ordinance in accordance with Article IX hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Bond Commission for deposit in the respective Sinking Funds on a pro rata basis and the Issuer shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest and redemption premium, if any, on the Bonds. Any balance remaining after the payment of all the Bonds and interest and redemption premium, if any, thereon shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine upon 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 may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $50,000 and not in excess of $200,000, shall be deposited in the Depreciation Fund. The payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, 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 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 Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such Revenues and in all other respects to the Bonds; provided that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts 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, 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. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. No Parity Bonds, 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.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2006 C Bonds and the Prior Bonds; provided, however, that in the event the Series 2006 C Bonds are not issued on or before September 1, 2006, and the Series 1996 Bonds are not refunded, all Parity Bonds issued hereunder shall also be on a parity in all respects with the Series 2006 B Bonds, the Series 1996 Bonds and the Prior Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding any outstanding Bonds, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received after the date of issuance of such additional Parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average 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 issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent 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 issuance of such Parity Bonds.

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

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

Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the 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 acquisition and construction of any additions, betterments and improvements to the System in the full insurable value thereof.

B. 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.

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 the County in which such work is to be performed prior to commencement of construction of any additions, betterments or improvements to the System in compliance with West Virginia Code, Section 38-2-39.

D. 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.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer, member 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.

Section 6.10. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2006 C Bonds (or the Series 2006 B Bonds in the event the Series 2006 C Bonds are not issued), 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 on September 1, 2006, immediately upon delivery of the Series 2006 C Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holder of the Prior Bonds.

Section 6.11. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Board or 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 6.12. 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 20 days after the same shall become due and payable, 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 or waterworks portion thereof, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks portion thereof) until all bills for charges for the services and facilities of the System, plus reasonable interest 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 6.13. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books; Records and Audit. 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, 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 the Bond Insurer, within 120 days following the end of each Fiscal Year, and shall mail to any Bondholder requesting the same, an annual report containing the following:

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

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

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants in compliance with the applicable OMB Circular or any successor thereto and Single Audit Act or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of the Bonds and shall file said report with the Original Purchaser and the Bond Insurer.

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, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewerage facilities portion of the System, pay the rates and charges established therefor.

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

Section 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 Series 2006 C 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 2006 C Bonds during the term thereof is, under the terms of the Series 2006 C 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 Series 2006 C Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2006 C Bonds during the term thereof is, under the terms of the Series 2006 C Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2006 C Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2006 C Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2006 C, Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2006 C Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2006 C Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2006 C 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 may apply for a Municipal Bond Insurance Policy for the Bonds. In the event such a Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer may be required by the Bond Insurer as a condition to insuring the Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the 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.

Section 6.19. Compliance with the Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Act.

Section 6.20. 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 VII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 7.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Bond Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission or the Depository Bank shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own 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 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2006 C Bonds from gross income for federal income tax purposes.

Section 7.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2006 C Bonds in such manner and to such extent as may be necessary, so that the Series 2006 C 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 the Series 2006 C Bonds) so that the interest on the Series

2006 C Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 7.03. Tax Certificate and Rebate. 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 the Series 2006 C Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2006 C 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, 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. 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 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and the required 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 Series 2006 C Bonds from gross income for federal income tax purposes.

ARTICLE VIII

DEFAULTS AND REMEDIES

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

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

(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 the Bond Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond;

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

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

Section 8.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder 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, including but not limited to the making and collection of sufficient rates and charges for services rendered by the System;

(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; provided that, all rights and remedies of the Holder of the Bonds shall be on a parity with the Holder of the Prior Bonds.

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

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

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

Section 8.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder (or any Bond Insurer if the defaulted Bonds are insured) shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and

decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

Section 8.04. 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 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 the Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Gross Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or 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 any series of Bonds, this Ordinance may be amended 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 Bonds, this Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar

or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Paying Agent, 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:

ISSUER

The City of Parkersburg
Post Office Box 1627
Parkersburg, West Virginia 26102
Attention: Mayor

REGISTRAR AND PAYING AGENT

[Name(s) and address(es) to be set forth in Supplemental Resolution]

DEPOSITORY BANK

[Name(s) and address(es) to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

Crews & Associates, Inc.
300 Summers Street
Suite 930
Charleston, West Virginia 25301

BOND INSURER

[Name(s) and address(es) to be set forth in 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 Issuer or officer or employee of the Issuer shall be individually or personally liable for the payment of the

principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed; provided however, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control, unless less restrictive, so long as the Prior Bonds are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Council were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.14. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereon.

Section 10.15. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Council to contain sufficient information as

intervening 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 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 Bonds, and that any person interested may appear before the Council 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 City Clerk for review by interested persons during office hours of the Clerk. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading:	November 8, 2005
Passed on Second Reading:	November 29, 2005
Passed on Third Reading Following Public Hearing:	December 13, 2005

[SEAL]

Enacted this 13th day of December, 2005.

Robert D. Nesbitt
Mayor

ATTEST:

Connie Shaffer
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Council of THE CITY OF PARKERSBURG at a regular meeting of the Council held at 7:30 p.m., on December 13, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in two newspapers 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 23rd day of March, 2006.

[SEAL]

Connie Shaffer
City Clerk

10/31/05
686870.00017

CH812156.1

EXHIBIT A

SERIES 2006 A BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAXABLE COMBINED WATERWORKS AND
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2006 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF 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, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 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 Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 A" (the "Bonds"), of the Issuer, of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, the proceeds of which are to be used, together with other funds of the Issuer, to facilitate the subsequent issuance and sale of its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C (the "Series 2006 C Bonds"), on June 15, 2006, the proceeds of which will be used to currently refund the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Series 1996 Bonds"), which were issued to refinance the cost of acquisition and construction of certain improvements to the combined waterworks and sewerage system of the Issuer (the "System").

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 and Chapter 8, Article 20, of the West Virginia Code of 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Issuer on December 13, 2005, as supplemented by a supplemental parameters resolution duly adopted by the Issuer on December 27, 2005 and a second supplemental resolution duly adopted by the Council of the Issuer on March 14, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of the 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 ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 B, DATED _____, 200__, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2006 B BONDS").

This Bond is payable only from and secured by a pledge of the securities and cash deposited in the Escrow Fund (as defined in the Ordinance) and earnings thereon, which 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 such Escrow Fund. 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 monies received from the sale of the Bonds except for accrued interest thereon, shall be applied solely to the purchase of securities to be deposited in the Escrow Fund, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the Registered Owners of the Bonds.

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) Mandatory Redemption. By its purchase of this Bond, each Bondholder shall unconditionally and irrevocably agree, upon the authentication and issuance of the Series 2006 C Bonds in accordance with the provisions of the Ordinance and delivery of the Series 2006 C Bond Counsel Opinion as provided in the Ordinance, to purchase on June 15, 2006 (the "Series 2006 C Bonds Issuance Date"), Series 2006 C Bonds in a principal amount equal to the then outstanding principal amount of such Bondholder's Series 2006 B Bonds at a purchase price equal to the principal amount thereof (the "Series 2006 C Bonds Purchase Price"). By its purchase of this Bond, each Bondholder irrevocably appoints the Escrow Agent (as defined in the Ordinance) as its agent and attorney in fact and instructs the Escrow Agent on its behalf to transfer the redemption proceeds of this Bond redeemed pursuant to the special mandatory redemption provisions of this Bond, in an amount equal to the principal amount of the Bonds of such Bondholder which are so redeemed, to the Paying Agent for the Bonds, which will transfer such amounts to the Original Purchaser (as defined in the Ordinance), which will purchase from the Issuer said amount of Series 2006 C Bonds on behalf of such Bondholder, all for the purpose of satisfying such Bondholder's obligation to purchase the Series 2006 C Bonds. Such purchase shall be made by the Original Purchaser on behalf of the Bondholder (unless enjoined by a court of competent jurisdiction in the event of a bankruptcy or insolvency of a Bondholder or due to other similar circumstances) automatically and without the necessity of any further action on the part of each Bondholder. Each Bondholder, by its purchase of this Bond, pledges to the Escrow Agent and Paying Agent the proceeds of the redemption of this Bond to be applied to the purchase by the Original Purchaser of a like amount of Series 2006 C Bonds on behalf of and for the account of such Bondholder. Each Bondholder, by its purchase of this Bond, is deemed to agree to, acknowledge and accept the terms and conditions described above and to be bound by all of the provisions of the Ordinance, without the necessity of any written acknowledgment, acceptance, signature or receipt of a copy of the Ordinance by such Bondholder.

Upon the satisfaction of the conditions set forth in the Ordinance for the issuance of the Series 2006 C Bonds, and upon the performance by the Escrow Agent, on behalf of each Bondholder of such Bondholder's obligation to purchase Series 2006 C Bonds in an amount equal to the then outstanding principal amount of such Bondholder's Bonds, each Bond with respect to which the foregoing conditions have been satisfied shall be subject to mandatory redemption on September 1, 2006, without notice, at a price equal to the principal amount thereof, plus accrued interest thereon to and including the date fixed for redemption. In the event the conditions set forth in the Ordinance for the issuance of the Series 2006 C Bonds are satisfied, but the Escrow Agent is prevented by a court of competent jurisdiction from performing on behalf of a Bondholder its obligation to purchase a corresponding amount of Series 2006 C Bonds, as set forth above, then this Bond shall not be subject to mandatory redemption and will instead be subject to mandatory tender as described below.

(B) Mandatory Tender. In the event the Series 2006 C Bonds are not issued on June 15, 2006, this Bond shall be subject to mandatory tender to the Escrow Agent, at which time the Escrow Agent will apply cash and securities held by the Escrow Agent toward the purchase of this Bond at a price equal to the principal amount thereof, plus accrued interest to and including June 15, 2006. This Bond shall be deemed paid in such event and will no longer be outstanding.

With respect to the mandatory redemption of this Bond, in the event Series 2006 C Bonds have been issued and delivered, within ten (10) business days following such issuance and delivery, the Paying Agent will mail to the persons who were Series 2006 A Bondholders immediately prior to the Series 2006 C Bonds Issuance Date by first class mail, postage prepaid, at the address of each Bondholder shown on the Bond Register whose Bond has been redeemed under the mandatory redemption provisions of the Ordinance and for whom a corresponding Series 2006 C Bond has been purchased under the Ordinance, a notice setting forth the information provided in the Ordinance with respect to the Bonds redeemed and advising such holder that upon the surrender of such holder's Bonds to the Paying Agent, the Paying Agent will deliver to such Bondholder the Series 2006 C Bonds purchased on its behalf. Such notice shall provide the address of the Paying Agent to which this Bond is to be presented.

With respect to the mandatory tender of this Bond, in the event the Series 2006 C Bonds are not issued on the Series 2006 C Bonds Issuance Date, the Paying Agent shall deliver to the Escrow Agent a written certificate stating such and on the Series 2006 C Bonds Issuance Date, the Paying Agent will mail to the Bondholders by first class mail, postage prepaid, at the address of each Bondholder shown on the Bond Register, a notice stating that the Series 2006 C Bonds were not issued on the Series 2006 C Bonds Issuance Date and will not be issued under the Ordinance, and that such Bondholders are no longer obligated to purchase such Series 2006 C Bonds and that this Bond is no longer subject to redemption pursuant to the mandatory redemption provisions of the Ordinance, but are subject to mandatory tender for purchase by the Escrow Agent from funds and securities on deposit in the Escrow Fund at a price equal to the principal amount thereof, plus accrued interest to and including June 15, 2006.

Notice of any redemption of this Bond, unless waived, shall be given by the Paying Agent 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. A copy of such notice of redemption shall also be mailed 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.

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 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 securities and cash deposited in the Escrow Fund has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, 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 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 PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT B

SERIES 2006 B BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND,
SERIES 2006 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF 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, 20___ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 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 Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 B" (the "Bonds"), of the Issuer, of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2006, the proceeds of which are to be used, together with other funds of the Issuer, to facilitate the subsequent issuance and sale of its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C (the "Series 2006 C Bonds"), on June 15, 2006, the proceeds of which will be used to currently refund the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Series 1996 Bonds"), which were issued to refinance the cost of acquisition and construction of certain improvements to the combined waterworks and sewerage system of the Issuer (the "System"), and to pay costs of issuance of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 13, Article 2E, and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended

(collectively, the "Act"), and an ordinance duly enacted by the Council of the Issuer on December 13, 2005, as supplemented by a supplemental parameters resolution duly adopted by the Council on December 27, 2005 and a second supplemental resolution duly adopted by the Council of the Issuer on March 14, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of the 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 ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 A, DATED _____, 2006, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2006 A BONDS").

IF THE SERIES 2006 C BONDS ARE ISSUED ON JUNE 15, 2006, THE BONDS SHALL ON AND AFTER SUCH DATE BE ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE SERIES 2006 C BONDS AND THE PRIOR BONDS.

IF THE SERIES 2006 C BONDS ARE NOT ISSUED ON JUNE 15, 2006, THE BONDS SHALL ON AND AFTER SUCH DATE BE ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE SERIES 1996 BONDS AND (2) THE PRIOR BONDS.

This Bond is payable only from and secured by a pledge of the securities and cash deposited in the Escrow Fund (as defined in the Ordinance) and earnings thereon, which shall be sufficient to pay the principal of and interest on some or 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, or in the event the Escrow Fund is insufficient, from a like exchange of an equal amount of Series 2006 C Bonds. 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 such Escrow Fund. If the Series 2006 C Bonds are not issued on or before June 15, 2006, the Bonds shall on and after such date be payable from and secured

by a first lien on the Gross Revenues derived from the System on a parity with the lien of the Series 1996 Bonds and the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon and monies used to pay costs of issuance, shall be applied solely to the purchase of securities to be deposited in the Escrow Fund, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the Registered Owners of the Bonds.

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) Mandatory Redemption. By its purchase of this Bond, each Bondholder shall unconditionally and irrevocably agree, upon the authentication and issuance of the Series 2006 C Bonds in accordance with the provisions of the Ordinance and delivery of the Series 2006 C Bond Counsel Opinion as provided in the Ordinance, to purchase on June 15, 2006 (the "Series 2006 C Bonds Issuance Date"), Series 2006 C Bonds in a principal amount equal to the then outstanding principal amount of such Bondholder's Series 2006 A Bonds at a purchase price equal to the principal amount thereof (the "Series 2006 C Bonds Purchase Price"). By its purchase of this Bond, each Bondholder irrevocably appoints the Escrow Agent (as defined in the Ordinance) as its agent and attorney in fact and instructs the Escrow Agent on its behalf to transfer the redemption proceeds of this Bond redeemed pursuant to the special mandatory redemption provisions of this Bond, in an amount equal to the principal amount of the Bonds of such Bondholder which are so redeemed, to the Paying Agent for the Bonds, which will transfer such amounts to the Original Purchaser (as defined in the Ordinance), which will purchase from the Issuer said amount of Series 2006 C Bonds on behalf of such Bondholder, or exchange the Series 2006 A Bonds for a like amount of Series 2006 C Bonds, all for the purpose of satisfying such Bondholder's obligation to purchase the Series 2006 C Bonds. Such purchase or exchange shall be made by the Original Purchaser on behalf of the Bondholder (unless enjoined by a court of competent jurisdiction in the event of a bankruptcy or insolvency of a Bondholder or due to other similar circumstances) automatically and without the necessity of any further action on the part of each Bondholder. Each Bondholder, by its purchase of this Bond, pledges to the Escrow Agent and Paying Agent the proceeds of the redemption of this Bond to be applied to the purchase or exchange by the Original Purchaser of a like amount of Series 2006 C Bonds on behalf of and for the account of such Bondholder. Each Bondholder, by its purchase of this Bond, is deemed to agree to, acknowledge and accept the terms and conditions described above and to be bound by all of the provisions of the Ordinance, without the necessity of any written acknowledgment, acceptance, signature or receipt of a copy of the Ordinance by such Bondholder.

Upon the satisfaction of the conditions set forth in the Ordinance for the issuance of the Series 2006 C Bonds, and upon the performance by the Escrow Agent, on behalf of each Bondholder of such Bondholder's obligation to purchase Series 2006 C Bonds in an amount equal to the then outstanding principal amount of such Bondholder's Bonds, each Bond with respect to which the foregoing conditions have been satisfied shall be subject to mandatory redemption on _____, 2006, without notice, at a price equal to the principal amount thereof, plus accrued interest thereon to and including the date fixed for redemption. In the event the conditions set forth in the Ordinance for the issuance of the Series 2006 C Bonds are satisfied, but the Escrow Agent is prevented by a court of competent jurisdiction from performing on behalf of a Bondholder its obligation to purchase a corresponding amount of Series 2006 C Bonds, as set forth above, then this Bond shall not be subject to mandatory redemption and will remain outstanding in accordance with its terms.

With respect to the mandatory redemption of this Bond, in the event Series 2006 C Bonds have been issued and delivered, within ten (10) business days following such issuance and delivery, the Paying Agent will mail to the persons who were Series 2006 A Bondholders immediately prior to the Series 2006 C Bonds Issuance Date by first class mail, postage prepaid, at the address of each Bondholder shown on the Bond Register whose Bond has been redeemed under the mandatory redemption provisions of the Ordinance and for whom a corresponding Series 2006 C Bond has been purchased and/or exchanged under the Ordinance, a notice setting forth the information provided in the Ordinance with respect to the Bonds redeemed and advising such holder that upon the surrender of such holder's Bonds to the Paying Agent, the Paying Agent will deliver to such Bondholder the Series 2006 C Bonds purchased and/or exchanged on its behalf. Such notice shall provide the address of the Paying Agent to which this Bond is to be presented.

In the event the Series 2006 C Bonds are not issued on the Series 2006 C Bonds Issuance Date, this Bond shall remain outstanding in accordance with its terms.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Paying Agent 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. A copy of such notice of redemption shall also be mailed 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.

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 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 securities and cash deposited in the Escrow Fund, or in the event the Series 2006 C Bonds are not issued, the Gross Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, 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 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 has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

EXHIBIT C

SERIES 2006 C BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

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, 20__ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 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 Tax-Exempt Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C" (the "Bonds"), of the Issuer, of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June ____, 2006, the proceeds of which are to be used, together with other funds of the Issuer, to currently refund the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Series 1996 Bonds"), which were issued to refinance the cost of acquisition and construction of certain improvements to the combined waterworks and sewerage system of the Issuer (the "System").

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 and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the council of the Issuer on December 13, 2005, as supplemented by a supplemental parameters resolution duly adopted by the Council on December 27, 2005 and the second supplemental resolution duly adopted by the Council of the Issuer on March 14, 2006 (hereinafter collectively referred to as the

"Ordinance"), and is subject to all the terms and conditions of the 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.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (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 (THE "SERIES 2003 B BONDS"), (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), AND (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

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 are not subject to optional redemption prior to _____. At the option of the Issuer, the Bonds will be subject to redemption prior to maturity on and after _____, _____, as a whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, are subject to mandatory sinking fund redemption prior to maturing 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

Bonds Maturing _____	
Year (*)	Principal Amount

Bonds Maturing _____	
Year (*)	Principal Amount

Bonds Maturing _____	
Year (*)	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by first class mail not less than 30 days nor 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 (i) the Gross Revenues (as defined in the Ordinance) to be derived from the System, (ii) all monies in the Series 2006 C Bonds Sinking Fund and the Series 2006 C Bonds Reserve Account established under the Ordinance and (iii) the unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2006 C Bonds Sinking Fund and the Series 2006 C Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all Operating Expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. 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 monies received from the sale of the Bonds except for accrued interest, if any, thereon, shall be applied solely to refund the Series 1996 Bonds and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the Registered Owners of the Bonds.

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

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, 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 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 has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature) _____
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

11/01/05
686870.00017

12/27/05

THE CITY OF PARKERSBURG
(WEST VIRGINIA)
Taxable Combined Waterworks and Sewerage System
Refunding Revenue Bonds, Series 2005 B,
Taxable Combined Waterworks and Sewerage System
Refunding Revenue Bonds, Series 2005 C, and
Tax-Exempt Combined Waterworks and Sewerage System
Refunding Revenue Bonds, Series 2006 A

SUPPLEMENTAL PARAMETERS RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF PARKERSBURG AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 B, TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 C AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 A, AND TERMS OF SUCH BONDS; AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, The City of Parkersburg (the "City"), 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, under the provisions of Chapter 13, Article 2E and Chapter 8, Article 20, of the West Virginia Code of 1931, as amended (collectively, the "Act"), the Issuer is authorized and empowered to issue refunding revenue bonds to refund, pay or discharge all or any part of the outstanding Series 1996 Bonds;

WHEREAS, the Issuer is advised that current market conditions are such that interest savings would be realized from the refunding of the Series 1996 Bonds;

WHEREAS, the City Council duly enacted an Ordinance on December 13, 2005, entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE ISSUER'S OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996; THE ISSUANCE OF TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 B, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000,

TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 C, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $1,000,000 AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 A, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000, 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 A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND PROVISIONS FOR BOND INSURANCE; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, such Ordinance provides that the Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents and customers to provide for the refunding of the Series 1996 Bonds on their first permitted Redemption Date, being September 1, 2006, in the manner set forth herein through the issuance of its taxable bonds to be designated "The City of Parkersburg, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2005 B" (the "Series 2005 B Bonds"), in the maximum aggregate principal amount of not more than $20,000,000, to issue a second series of taxable bonds to be designated "The City of Parkersburg, West Virginia, Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2005 C (the "Series 2005 C Bonds") in the maximum aggregate principal amount of $1,000,000 and, subject to the satisfaction of certain conditions, to issue a subsequent series of tax-exempt bonds to be designated "The City of Parkersburg, West Virginia, Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 A" (the "Series 2006 A Bonds" and, collectively with the Series 2005 B Bonds and the Series 2005 C Bonds, the "Refunding Bonds"), in the maximum aggregate principal amount of not more than $20,000,000, to provide for the current refunding of the Series 1996 Bonds on September 1, 2006; and

WHEREAS, the Ordinance further provided that the exact principal amount of the Refunding Bonds to be sold and the dates, maturities, interest rates, redemption provisions, price and other terms of the Refunding Bonds should be established, that a Bond Insurer, Registrar, Paying Agent and Depository Bank be designated, that a Registrar's Agreement

be approved, that additional covenants and provisions relating to the Refunding Bonds be provided herein, and as may be required by any Bond Insurer as a condition to insuring such Refunding Bonds and that other matters pertaining to the Refunding Bonds be provided for by a supplemental resolution of the City Council;

WHEREAS, the Refunding Bonds are proposed to be purchased by Crews & Associates, Inc. and Ferris, Baker Watts, Incorporated (collectively, the "Underwriters"), pursuant to a bond purchase agreement for the Refunding Bonds between the Underwriters and the City (the "Bond Purchase Agreement");

WHEREAS, the Issuer wishes to revise the Ordinance and approve a conformed Bond Ordinance (the "Ordinance") in the form attached hereto; and

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

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Commitment for Municipal Bond Insurance for the Refunding Bonds, the Escrow Agreement, the Registrar Agreement hereinafter provided for be entered into by the City, that the Official Statement relating to the Series 2005 B Bonds, hereinafter described, be approved, that certain parameters for the prices, the maturity dates and amounts, and the interest rates of the Series 2005 B Bonds be fixed herein, and that other matters relating to the Series 2005 B Bonds be herein provided for, all in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COUNCIL OF THE CITY OF PARKERSBURG, AS FOLLOWS:

Section 1. For the purposes of (i) paying the entire outstanding principal balance of and all accrued interest on the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996, (ii) funding a debt service reserve account for the Series 2006 A Bonds, and (iii) paying costs of issuance of the Refunding Bonds and related costs, the Council of the City hereby authorizes and orders the issuance of the Series 2005 B Bonds in an aggregate principal amount not to exceed $20,000,000, the Series 2005 C Bonds in an aggregate principal amount not to exceed $1,000,000 and the Series 2006 A Bonds in an aggregate principal amount not to exceed $20,000,000. The Series 2005 B Bonds shall be designated "The City of Parkersburg (West Virginia) Taxable Combined Waterworks and Sewerage Refunding Revenue Bonds, Series 2005 B," and may be issued at such time as the Mayor shall determine. The Series 2005 C Bonds shall be

designated "The City of Parkersburg (West Virginia) Taxable Combined Waterworks and Sewerage Refunding Revenue Bonds, Series 2005 C," and may be issued at such time as the Mayor shall determine. The Series 2006 A Bonds shall be designated "The City of Parkersburg (West Virginia) Taxable Combined Waterworks and Sewerage Refunding Revenue Bonds, Series 2005 A," and may be issued at such time as the Mayor shall determine.

Section 2. A. The Series 2005 B shall be sold to the Underwriters, in the original aggregate principal amount of not to exceed $20,000,000; shall be issued in fully registered form without coupons, in the denominations of $5,000 or integral multiples thereof for any period of maturity; shall be numbered from BR-1 consecutively upward in order of maturity; shall be dated such date, upon original issuance; shall bear interest at rates not to exceed 6.0% per annum, payable semiannually; shall mature in such principal amounts on such dates (with final maturity no later than December 31, 2020); shall be subject to such redemption provisions as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance. The Series 2005 B Bonds shall be signed by and on behalf of the City by its Mayor and be countersigned by its City Clerk, which signatures may be either manual or facsimile signatures, and the seal of the City or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Series 2005 B Bonds shall be manually signed by the Registrar.

B. The Series 2005 C Bonds shall be sold to the Underwriters, in the original aggregate principal amount of not to exceed $1,000,000; shall be issued in fully registered form without coupons, in the denominations of $5,000 or integral multiples thereof for any period of maturity; shall be numbered from CR-1 consecutively upward in order of maturity; shall be dated such date, upon original issuance; shall bear interest at rates not to exceed 6.0% per annum, payable semiannually; shall mature in such principal amounts on such dates (with final maturity no later than December 31, 2020); shall be subject to such redemption provisions as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance. The Series 2005 C Bonds shall be signed by and on behalf of the City by its Mayor and be countersigned by its City Clerk, which signatures may be either manual or facsimile signatures, and the seal of the City or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Series 2005 C Bonds shall be manually signed by the Registrar.

C. The Series 2006 A Bonds shall be sold to the Underwriters, in the original aggregate principal amount of not to exceed $20,000,000; shall be issued in fully registered form without coupons, in the denominations of $5,000 or integral multiples thereof for any period of maturity; shall be numbered from AR-1 consecutively upward in order of maturity; shall be dated such date, upon original issuance; shall bear interest at rates not to exceed 7.0% per annum, payable semiannually; shall mature in such principal amounts on such dates (with final maturity no later than December 31, 2020); shall be subject to such redemption provisions as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance. The Series 2006 A Bonds shall be signed by and on behalf

of the City by its Mayor and be countersigned by its City Clerk, which signatures may be either manual or facsimile signatures, and the seal of the City or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Series 2006 A Bonds shall be manually signed by the Registrar.

Section 3. The Refunding Bonds shall be registered to the Depository Trust Company ("DTC") upon issuance thereof.

Section 4. The Mayor shall have the authority to approve the pricing and other final terms of the Refunding Bonds, including the determination of when and whether to issue the Refunding Bonds and to execute the Bond Purchase Agreement without further Council action or approval.

Section 5. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 6. The Bond Purchase Agreement by and between the Underwriters and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Refunding Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 7. The Continuing Disclosure Agreement by and between the City and the Underwriters, to be dated as of the date of delivery of the Refunding Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Continuing Disclosure Agreement shall be conclusive evidence of any approval required by this Section.

Section 8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Refunding Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 9. The distribution by the Underwriters of a Preliminary Official Statement (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 approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Underwriter are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 10. The firms of Crews & Associates, Inc., Charleston, West Virginia, and Ferris, Baker Watts, Incorporated, Charleston, West Virginia are hereby engaged for the purpose of serving as Underwriters with respect to the Refunding Bonds.

Section 11. The City does hereby determine that the Municipal Bond Insurance Policy offered by the Bond Insurer for the Refunding Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Insurance Policy, and accordingly accepts the Commitment for Municipal Bond Insurance (the "Commitment") of Financial Guaranty Insurance Company for the Refunding Bonds. 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. The City hereby consents to any all changes necessary in the Ordinance and in this Supplemental Resolution to comply with the terms of the Commitment.

Section 12. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent and Escrow Agent. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, for the purpose of serving in the capacity of Registrar and United Bank, Inc., Parkersburg, West Virginia, as Depository Bank.

Section 13. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby engaged for the purpose of serving as Bond Counsel with respect to the Series 2005 B Bonds.

Section 14. The notice addresses for the Registrar, Paying Agent, Depository Bank, the Bond Insurer and the Fiscal Agent of the Bond Insurer shall be as follows:

REGISTRAR

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

DEPOSITORY BANK

United Bank, Inc.
514 Market Street
Parkersburg, West Virginia 26101-5144

PAYING AGENT AND ESCROW AGENT

West Virginia Municipal Bond Commission
Suite 500
8 Capitol Street
Charleston, West Virginia 25301
Attention: Executive Director

BOND INSURER

Financial Guaranty Insurance Company
125 Park Avenue
New York, New York 10017
Attention: Risk Management

FISCAL AGENT

U. S. Bank Trust National Association
100 Wall Street
19th Floor
New York, New York 10005
Attention: Corporate Trust Department

Section 15. The proceeds of the Series 2005 B Bonds in an amount sufficient to pay the outstanding principal of, interest on and redemption premium for the Series 1996 shall be wired directly to the West Virginia Municipal Bond Commission on the Closing Date to accomplish the payment of the entire outstanding principal balance of and all accrued interest on the Series 1996 Bonds.

Section 16. Proceeds of the Series 2005 B Bonds shall be applied as set forth herein. The proceeds of the Series 2005 B Bonds representing accrued interest shall be deposited in the Series 2005 B Bonds Sinking Fund held by the Commission.

Section 17. The Council hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2006 A Bonds or any other funds of the Council to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2006 A Bonds or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the City is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the City's compliance with this covenant.

Section 18. Under the provisions of the Act, and as provided in the Ordinance and the Refunding 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 respective Reserve Accounts 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 Refunding Bonds and the interest thereon.

Section 19. The Mayor, the City Clerk and all other appropriate officers and employees of the City are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the issuance of the Refunding Bonds to the end that the Refunding Bonds may be delivered at the earliest practicable date to the Underwriters.

Section 20. The Mayor, the City Clerk, and all other appropriate officers and employees of the City are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Refunding Bonds to be duly and properly issued by the City and delivered to the Underwriters as herein authorized and to otherwise facilitate the transaction contemplated by this Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required, provided that the Council must subsequently approve the final terms of sale of the Refunding Bonds to the Underwriters.

Section 21. This Resolution shall take effect immediately upon its adoption.

[Remainder of Page Intentionally Left Blank]

Adopted this 27th day of December, 2005.

THE CITY OF PARKERSBURG

[SEAL]

By: _____
Mayor

ATTEST:

Its: _____
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted and entered of record by the Council of The City of Parkersburg at a regular meeting of the Council held at 7:30 p.m., on December 27, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 23rd day of March, 2006.

[SEAL]

Connie Shaffer
City Clerk

12.27.05
686870.00017

EXHIBIT A

CONFIRMED BOND ORDINANCE

(SEE TAB NO.1)

3-14-06

THE CITY OF PARKERSBURG
(WEST VIRGINIA)

Taxable Combined Waterworks and Sewerage System
Refunding Revenue Bonds, Series 2006 A,
Taxable Combined Waterworks and Sewerage System
Refunding Revenue Bonds, Series 2006 B, and
Tax-Exempt Combined Waterworks and Sewerage System
Refunding Revenue Bonds, Series 2006 C

SECOND SUPPLEMENTAL RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF PARKERSBURG AUTHORIZING AND APPROVING THE SERIES REDESIGNATION OF THE BONDS; APPROVING A REVISED COMMITMENT FOR MUNICIPAL BOND INSURANCE FOR THE SERIES 2006 C BONDS; IMPLEMENTING PROVISIONS REQUIRED AS A CONDITION TO OBTAINING A MUNICIPAL BOND INSURANCE POLICY INSURING THE SERIES 2006 C BONDS FROM FGIC; APPROVING A CONFORMED ORDINANCE; CHANGING THE ESCROW AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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, the City Council duly enacted an Ordinance on December 13, 2005, entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE ISSUER'S OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1996; THE ISSUANCE OF TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 B, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000, TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 C, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $1,000,000 AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 A, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $20,000,000, 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 A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND PROVISIONS FOR BOND INSURANCE; AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, the City Council duly enacted a Supplemental Resolution on December 27, 2005, entitled:

RESOLUTION OF THE COUNCIL OF THE CITY OF PARKERSBURG AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 B, TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005 C AND TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 A, AND TERMS OF SUCH BONDS; AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; APPROVING A CONFORMED ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Issuer has obtained a commitment for Municipal Bond Insurance for the Series 2006 C Bonds from FGIC (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 for the Series 2006 C Bonds;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bonds be redesignated, the Commitment for Municipal Bond Insurance be approved, approving changes to the Bond Ordinance regarding the Bond Insurance Policy, approving a conformed Ordinance, and that other matters relating to the Bonds be herein provided for, all in accordance with said Ordinance;

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

Section 1. The Issuer does hereby authorize the redesignation of the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2005 B to the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 A, the redesignation

of the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2005 C to the Taxable Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 B, and the redesignation of the Tax-Exempt Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 A to the Tax-Exempt Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C.

Section 2. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by the Bond Insurer for the Series 2006 C Bonds 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 revised Commitment for Municipal Bond Insurance (the "Commitment") of FGIC. 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 3. 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 for the Series 2006 C Bonds 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 2006 C Bonds:

(a) If, on the third day preceding any interest payment date for the Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the Bonds due on such date, the Trustee shall immediately notify Financial Guaranty and U.S. Bank Trust National Association, New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said interest payment date, the Issuer has not provided the amount of such deficiency, the Trustee shall simultaneously make available to Financial Guaranty and to the Fiscal Agent the registration books for the Bonds maintained by the Trustee. In addition:

(i) The Trustee shall provide Financial Guaranty with a list of the Bondholders entitled to receive principal or interest payments from Financial Guaranty under the terms of the Bond Insurance Policy and shall make arrangements for Financial Guaranty and its Fiscal Agent (1) to mail checks or drafts to Bondholders entitled to receive full or partial interest payments from Financial Guaranty and (2) to pay principal of the Bonds surrendered to the Fiscal Agent by the Bondholders entitled to receive full or partial principal payments from Financial Guaranty; and

(ii) The Trustee shall, at the time it makes the registration books available to Financial Guaranty pursuant to (i) above, notify Bondholders entitled to receive the payment of principal of or interest on the Bonds from Financial Guaranty (1) as to the fact of such entitlement, (2) that Financial Guaranty will remit to them all or part of the interest payments coming due subject to the terms of the Bond Insurance Policy, (3) that, except as provided in paragraph (b) below, in the event that any Bondholder is entitled to receive full payment of principal from Financial Guaranty, such Bondholder must tender his Bond with the instrument of transfer in the form provided on the Bond executed in the name of Financial Guaranty, and (4) that, except as provided in paragraph (b) below, in the event that such Bondholder is entitled to receive partial payment of principal from Financial

Guaranty, such Bondholder must tender his Bond for payment first to the Trustee, which shall note on such Bond the portion of principal paid by the Trustee, and then, with an acceptable form of assignment executed in the name of Financial Guaranty, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Bondholder subject to the terms of the Bond Insurance Policy.

(b) In the event that the Trustee has notice that any payment of principal of or interest on a Bond has been recovered from a Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to Financial Guaranty, notify all Bondholders that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from Financial Guaranty to the extent of such recovery, and the Trustee shall furnish to Financial Guaranty its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.

(c) Financial Guaranty shall, to the extent it makes payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy and, to evidence such subrogation, (i) in the case of subrogation as to claims for past due interest, the Trustee shall note Financial Guaranty's rights as subrogee on the registration books maintained by the Trustee upon receipt from Financial Guaranty of proof of the payment of interest thereon on the Bondholders of such Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note Financial Guaranty's rights as subrogee on the registration books for the Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the Bondholders of such Bonds. Notwithstanding anything in this authorizing document or the Bonds to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to Financial Guaranty to the extent that Financial Guaranty is a subrogee with respect thereto.

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LEGAL DOCUMENTATION REQUIREMENTS

[To be incorporated into Authorizing Document(s)]

1. Definitions.

   (a) A definition of "Bond Insurance Policy" shall be included, to read as follows: "the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Bonds*."

   (b) A definition of "Bond Insurer" shall be included, to read as follows: "Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto."

2. Reserve Fund Requirements. Any credit instrument provided in lieu of a cash deposit into the debt service reserve fund, other than one provided by the Bond Insurer, shall conform to the requirements set forth in the exhibit attached hereto entitled "Reserve Fund Surety Guidelines," if attached. Such guidelines shall be incorporated into the authorizing document.

3. Redemption Notices. Notice of any redemption of Bonds shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the full redemption price of the Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Bonds to be redeemed is on deposit in the applicable fund or account.

4. Default-Related Provisions.

   (a) The Trustee shall, to the extent there are no other available funds held under the authorizing document, use the remaining funds in the construction fund to pay principal of or interest on the Bonds in the event of a payment default.

   (b) The applicable authorizing document provisions describing events of default shall specify that in determining whether a payment default has occurred or whether a payment on the Bonds has been made under the authorizing documents(s), no effect shall be given to payments made under the Bond Insurance Policy.

   (c) Any acceleration of the Bonds or any annulment thereof shall be subject to the prior written consent of the Bond Insurer (if it has not failed to comply with its payment obligations under the Bond Insurance Policy).

   (d) The Bond Insurer shall receive immediate notice of any payment default and notice of any other default known to the Trustee or the Issuer within 30 days of the Trustee's or the Issuer's knowledge thereof.

(e) For all purposes of the authorizing document provisions governing events of default and remedies, except the giving of notice of default to Bondholders, the Bond Insurer shall be deemed to be the sole holder of the Bonds it has insured for so long as it has not failed to comply with its payment obligations under the Bond Insurance Policy.

(f) If the authorizing document permits the Trustee to waive any event of default, any such waiver shall be subject to the prior written consent of the Bond Insurer.

(g) The Bond Insurer shall be included as a party in interest and as a party entitled to (i) notify the Issuer, the Trustee, if any, or any applicable receiver of the occurrence of an event of default and (ii) request the Trustee or receiver to intervene in judicial proceedings that affect the Bonds or the security therefor. The Trustee or receiver shall be required to accept notice of default from the Bond Insurer.

5. Amendments and Supplements. Any amendment or supplement to the authorizing document or any other principal financing documents shall be subject to the prior written consent of the Bond Insurer. Any rating agency rating the Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption. The Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

6. Successor Trustee, Etc. No resignation or removal of the Trustee, Paying Agent or Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Trustee, Paying Agent or Bond Registrar, as applicable. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Trustee, Paying Agent or Bond Registrar and the appointment of any successor thereto.

7. Defeasance Provisions. Only cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing) shall be used to effect defeasance of the Bonds unless the Bond Insurer otherwise approves. In the event of an advance refunding, the Issuer shall cause to be delivered a verification report of an independent nationally recognized certified public accountant. If a forward supply contract is employed in connection with the refunding, (i) such verification report shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the authorizing document, if no separate escrow agreement is utilized), the terms of the escrow agreement or authorizing document, if applicable, shall be controlling.

8. Variable Rate Indebtedness.

(a) For all purposes, variable rate indebtedness shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or if no debt is outstanding for the twelve prior months under the authorizing document, the average rate borne by reference to an index comparable to that to be utilized in determining the interest rate for the debt to be issued and (iii) (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Bond Buyer "Revenue Bond Index" (or comparable index if no longer published), or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities; provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

9. Reporting Requirements. The Bond Insurer shall be provided with the following:

(a) Notice of the redemption, other than mandatory sinking fund redemption, of any of the Bonds, or of any advance refunding of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(b) Notice of the downgrading by any rating agency of the Issuer's or Obligor's underlying public rating, or the underlying rating on the Bonds or any parity obligations, to "non-investment grade";

(c) Notice of any drawing on any debt service reserve fund securing the Bonds;

(d) Notice of any rate covenant violation with respect to the Bonds;

(e) Notice if the coverage of debt service on the Bonds by pledged revenues drops below the debt service coverage percentage applicable to the issuance of additional parity bonds;

(f) Notice of any material events pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and

(g) Such additional information as the Bond Insurer may reasonably request from time to time.

10. Reimbursement of Expenses. The following provision shall be incorporated into the authorizing documents and any other applicable financing document: The Obligor shall pay or reimburse the Bond Insurer for any and all charges, fees, costs, and expenses that the Bond Insurer may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder

or under any other transaction document; (ii) the pursuit of any remedies hereunder, under any other transaction document, or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to or related to this agreement or any other transaction document whether or not executed or completed; (iv) the violation by the Obligor of any law, rule, or regulation or any judgment, order or decree applicable to it; (v) any advances or payments made by the Bond Insurer to cure defaults of the Obligor under the transaction documents; or (vi) any litigation or other dispute in connection with this agreement, any other transaction document, or the transactions contemplated hereby or thereby, other than amounts resulting from the failure of the Bond Insurer to honor its payment obligations under the 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 to this agreement or any other transaction document. The obligations of the Obligor to the Bond Insurer shall survive discharge and termination of this agreement.

11. Notice Addresses. The notice addresses for the Bond Insurer and the Fiscal Agent shall be included in the authorizing document as follows: Financial Guaranty Insurance Company, 125 Park Avenue, New York, New York 10017, Attention: Risk Management; and U.S. Bank Trust National Association, 100 Wall Street, 19th Floor, New York, New York 10005, Attention: Corporate Trust Department.

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RESERVE FUND SURETY GUIDELINES

The Issuer may satisfy the requirement (the "Reserve Fund Requirement") to deposit a specified amount in the debt service reserve fund (the "Reserve Fund") by the deposit of a surety bond, insurance policy or letter of credit as set forth below. The following requirements shall be incorporated in the authorizing document for the Bonds (the "Authorizing Document") in the event the Reserve Fund Requirement is fulfilled by a deposit of a credit instrument (other than a credit instrument issued by Financial Guaranty) in lieu of cash:

1. A surety bond or insurance policy issued to the entity serving as trustee or paying agent (the "Fiduciary"), as agent of the bondholders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the claims paying ability of the issuer thereof shall be rated "AAA" or "Aaa" by S&P or Moody's, respectively.

2. A surety bond or insurance policy issued to the Fiduciary, as agent of the bondholders, by an entity other than a municipal bond insurer may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the form and substance of such instrument and the issuer thereof shall be approved by Financial Guaranty.

3. An unconditional irrevocable letter of credit issued to the Fiduciary, as agent of the bondholders, by a bank may be deposited in the Reserve Fund to meet the Reserve Fund Requirement if the issuer thereof is rated at least "AA" by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be require to notify the Issuer and the Fiduciary, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

4. If such notice indicates that the expiration date shall not be extended, the Issuer shall deposit in the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund together with any other qualifying credit instruments, to equal the Reserve Fund Requirement on all outstanding Bonds, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the Reserve Fund credit instrument is replaced by a Reserve Fund credit instrument meeting the requirements in any of 1-3 above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Authorizing Document shall, in turn, direct the Fiduciary to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Fund is fully funded in its required amount.

5. The use of any Reserve Fund credit instrument pursuant to this Paragraph shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such

credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to Financial Guaranty. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to Financial Guaranty and in form and substance satisfactory to Financial Guaranty to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the bonds (or any other account party under the letter of credit).

6. The obligation to reimburse the issuer of a Reserve Fund credit instrument for any fees, expenses, claims or draws upon such Reserve Fund credit instrument shall be subordinate to the payment of debt service on the bonds. The right of the issuer of a Reserve Fund credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Fund. The Reserve Fund credit instrument shall provide for a revolving feature which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Fund credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund credit instrument and the amount then available for further draws or claims. If (a) the issuer of a Reserve Fund credit instrument becomes insolvent or (b) the issuer of a Reserve Fund credit instrument defaults in its payment obligations thereunder or (c) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P "AAA" or a Moody's "Aaa" or (d) the rating of the issuer of the letter of credit falls below a S&P "AA", the obligation to reimburse the issuer of the Reserve Fund credit instrument shall be subordinate to the cash replenishment of the Reserve Fund.

7. If (a) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (b) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P "AAA" or a Moody's "Aaa" or (c) the rating of the issuer of the letter of credit falls below a S&P "AA, the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal the Reserve Fund Requirement on all outstanding Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence. In the event (a) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (b) the rating of the issuer of the letter of credit falls below "A" or (c) the issuer of the Reserve Fund credit instrument defaults in its payment obligations or (d) the issuer of the Reserve Fund credit instrument becomes insolvent, the Issuer shall either (i) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal to Reserve Fund Requirement on all outstanding Bonds, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (ii) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of 1-3 above within six months of such occurrence.

8. Where applicable, the amount available for draws or claims under the Reserve Fund credit instrument may be reduced by the amount of cash or permitted investments deposited in the Reserve Fund pursuant to either clause (i) of the preceding subparagraph.

9. If the Issuer chooses the above described alternatives to a cash-funded Reserve Fund, any amounts owed by the Issuer to the Issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Authorizing Document for any purpose, e.g., rate covenant or additional bonds test.

10. The Authorizing Document shall require the Fiduciary to ascertain the necessity for a claim or draw upon the Reserve Fund credit instrument and to provide notice to the issuer of the Reserve Fund credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Fund credit instrument) prior to each interest payment date.

11. Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Fund credit instrument. If and to the extent that more than one Reserve Fund credit instrument is deposited in the Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Section 4. The Issuer wishes to change the Escrow Agent which was previously approved by the Supplemental Parameters Resolution and does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, for the purpose of serving in the capacity of Escrow Agent.

Section 5. The proceeds of the Series 2005 A Bonds in an amount sufficient to pay the outstanding principal of, interest on and redemption premium for the Series 1996 on the call date therefor shall be wired directly to the West Virginia Municipal Bond Commission on the Closing Date to accomplish the payment of the entire outstanding principal balance of and all accrued interest on the Series 1996 Bonds.

Section 6. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2006 C Bonds, as set forth in Exhibit A, attached hereto, it is hereby determined that the Series 2006 C Bonds, when, as and if issued, show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 2006 C Bonds, the Issuer shall have obtained from an independent certified public accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2006 C Bonds and the net interest cost in dollars of the Series 1996 Bonds.

Section 7. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit B.

Section 8. This Resolution shall take effect immediately upon its adoption.

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EXHIBIT A

TERMS OF SERIES 2006 C BONDS

EXHIBIT B

CONFORMED BOND ORDINANCE

Adopted this 14th day of March, 2006.

THE CITY OF PARKERSBURG

[SEAL]

By: _____
Mayor

ATTEST:

Its: _____
City Clerk

CH809544.1

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted and entered of record by the Council of The City of Parkersburg at a regular meeting of the Council held at 7:30 p.m., on March 14, 2006, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 23rd day of March, 2006.

[SEAL]

Connie Shaffer
City Clerk

03/14/06
686870.00017

CH809544.1

EXHIBIT A

TERMS OF SERIES 2006 C BONDS

EXHIBIT A

TERMS OF SERIES 2006 C BONDS

Bond No.	CUSIP	Maturity Date	Principal Amount	Interest Rate	Price
CR-1	701352CL8	September 1, 2007	$ 660,000.00	3.700%	100.000%
CR-2	701352CM6	September 1, 2008	$1,000,000.00	3.700	99.911
CR-3	701352CN4	September 1, 2009	$1,040,000.00	3.750	100.000
CR-4	701352CP9	September 1, 2010	$1,080,000.00	3.800	100.000
CR-5	701352CQ7	September 1, 2011	$1,120,000.00	3.850	100.000
CR-6	701352CR5	September 1, 2012	$1,160,000.00	3.900	100.000
CR-7	701352CS3	September 1, 2013	$1,205,000.00	5.000	106.527
CR-8	701352CT1	September 1, 2014	$1,265,000.00	5.000	106.934
CR-9	701352CU8	September 1, 2015	$1,330,000.00	5.000	107.237
CR-10	701352CV6	September 1, 2016	$1,395,000.00	4.000	99.002
CR-11	701352CW4	September 1, 2017	$1,455,000.00	4.000	98.221
CR-12	701352CX2	September 1, 2018	$1,510,000.00	4.000	97.725
CR-13	701352CY0	September 1, 2019	$1,570,000.00	4.100	98.192
CR-14	701352CZ7	September 1, 2020	$1,635,000.00	4.100	97.676

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-1

$660,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.70%	September 1, 2007	June 15, 2006	701352 CL 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-2

$1,000,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.70%	September 1, 2008	June 15, 2006	701352 CM 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-3 $1,040,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.75%	September 1, 2009	June 15, 2006	701352 CN 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-4

$1,080,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.80%	September 1, 2010	June 15, 2006	701352 CP 9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION EIGHTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-5 $1,120,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.85%	September 1, 2011	June 15, 2006	701352 CQ 7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-6

$1,160,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.90%	September 1, 2012	June 15, 2006	701352 CR 5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION ONE HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No: CR-7

$1,205,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
5.00%	September 1, 2013	June 15, 2006	701352 CS 3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-8 $1,265,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
5.00%	September 1, 2014	June 15, 2006	701352 CT 1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-9

$1,330,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
5.00%	September 1, 2015	June 15, 2006	701352 CU 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED THIRTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-10

$1,395,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.00%	September 1, 2016	June 15, 2006	701352 CV 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-11

$1,455,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.00%	September 1, 2017	June 15, 2006	701352 CW 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED FIFTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (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

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-12

$1,510,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.00%	September 1, 2018	June 15, 2006	701352 CX 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-13

$1,570,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.10%	September 1, 2019	June 15, 2006	701352 CY 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-14

$1,635,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG, WEST VIRGINIA
TAX-EXEMPT COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2006 C

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.10%	September 1, 2020	June 15, 2006	701352 CZ 7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE MILLION SIX HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That on this the 15th day of June, 2006, 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 March 1 and September 1, in each year, beginning September 1, 2006 (each an "Interest Payment Date"), until maturity or until

the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each February 15 and August 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 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 Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $17,425,000 designated "The City of Parkersburg, West Virginia, Tax-Exempt Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C" (the "Bonds"), of the Issuer, of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated June 15, 2006, the proceeds of which are to be used, together with other funds of the Issuer, to currently refund the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1996 (the "Series 1996 Bonds"), which were issued to refinance the cost of acquisition and construction of certain improvements to the combined waterworks and sewerage system of the Issuer (the "System").

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 and Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the council of the Issuer on December 13, 2005, as supplemented by a supplemental parameters resolution duly adopted by the Council on December 27, 2005 and the second supplemental resolution duly adopted by the Council of the Issuer on March 14, 2006 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of the 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.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (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 (THE "SERIES 2003 B BONDS"), (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), AND (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

The Bonds of this issue shall be subject to optional redemption on or after September 1, 2015, at par.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by first class mail not less than 30 days nor 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 (i) the Gross Revenues (as defined in the Ordinance) to be derived from the System, (ii) all monies in the Series 2006 C Bonds Sinking Fund and the Series 2006 C Bonds Reserve Account established under the Ordinance and

(iii) the unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the monies in the Series 2006 C Bonds Sinking Fund and the Series 2006 C Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all Operating Expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. 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 monies received from the sale of the Bonds except for accrued interest, if any, thereon, shall be applied solely to refund the Series 1996 Bonds and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the Registered Owners of the Bonds.

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

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, 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 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.

[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 imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: June 15, 2006.

UNITED BANK, INC., as Registrar

By: _____
Its: Authorized Officer

STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the Bonds, such policy being on file at the principal office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"):

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the Bondholders that portion of the principal or accreted value (if applicable) of and interest on the Bonds which is then due for payment and which the issuer of the Bonds (the "Issuer") shall have failed to provide. Due for payment means, with respect to principal or accreted value (if applicable) the stated maturity date thereof, or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment of principal or accreted value (if applicable) of the Bonds is due by reason of call for redemption (other than mandatory sinking fund redemption), acceleration or other advancement of maturity, and with respect to interest, the stated date for payment of such interest.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or the Paying Agent to Financial Guaranty that the requirement payment of principal, accreted value or interest (as applicable) has not been made by the Issuer to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Issuer. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the Bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such Bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the Bondholder.

As used herein the term "Bondholder" means the person other than the Issuer or the borrower(s) of bond proceeds who at the time of nonpayment of a Bond is entitled under the terms of such Bond to payment thereof.

This policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

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.

04/18/06
686870.00017

2006 D
2006 E

THE CITY OF PARKERSBURG

~~CONFORMED ORDINANCE~~

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2005 A; AND AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE 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 $10,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $6,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

THE COUNCIL OF THE CITY OF PARKERSBURG HEREBY ORDAINS:

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 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of 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 acquired and constructed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of (i) the construction of modifications to the 6th Street Pumping Station, including three new pumps, controls, electrical, emergency generation, and required interior and exterior piping and valve modifications, along with miscellaneous structural and ventilation work, and (ii) the construction of approximately 4,510 linear feet of 36 inch force main, together with all appurtenant facilities, in accordance with the plans and specifications prepared by the Consulting Engineers (the "6th Street Pump Station Project") and construction of improvements to the existing sanitary sewer system to remedy existing environmental problems (the "Environmental Project"), which plans and specifications have heretofore been filed with the City Clerk of the Issuer (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 has heretofore temporarily financed ~~a portion of the cost of the Environmental Project certain improvements to the sewerage portion of the System~~ pursuant to the issuance of its Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, dated August 15, 2005, issued in the original aggregate principal amount of $~~6,000,000~~ 9,000,000, outstanding in the approximate amount of $9,000,000, plus accrued interest (the "Series 2005 A Notes").

D. The Series 2005 A Notes were issued pursuant to an ordinance of the Issuer enacted on July 12, 2005 (the "Series 2005 A Notes Ordinance").

E. The Issuer must provide permanent financing of the improvements heretofore temporarily financed by the proceeds of the Series 2005 A Notes pursuant to the terms of the Series 2005 A Notes Ordinance.

F. The Issuer intends (i) to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), pursuant to the Act; and (ii) to currently refund the Series 2005 A Notes through the issuance of its revenue bonds to the Authority, which administers the SRF Program pursuant to the Act.

G. The estimated revenues to be derived in each year after completion of the Project and the refunding of the Series 2005 A Notes from the operation of the System

will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and to make payments into all funds and accounts and other payments provided for herein.

H. 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 $16,500,000 in two or more series (collectively, the "Series 2006 Bonds"), initially planned to be (i) the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), in the aggregate principal amount of not more than $10,500,000 (the "Series 2006 D Bonds"), the proceeds of which will be used to currently refund the Issuer's outstanding Series 2005 A Notes, pay the costs of the acquisition and construction of the Environmental Projects and to pay costs of issuance of the Series 2006 D Bonds; and (ii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (West Virginia SRF Program), in the aggregate principal amount of not more than $6,000,000 (the "Series 2006 E Bonds"), the proceeds of which will be used to pay the costs of acquisition and construction of the 5th Street Pump Station Project, fund a reserve account for this Series of bonds and to pay costs of issuance of the Series 2006 E Bonds. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; the cost of refunding the Series 2005 A Notes; interest, if any, upon the Series 2006 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 2006 Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2006 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 2006 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

I. The period of usefulness of the System after completion of the Project is not less than 30 years.

J. It is in the best interests of the Issuer that its Series 2006 D Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority, and the West Virginia Department of Environmental Protection (the "DEP"), and its Series 2006 E Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the DEP, all in

form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

K. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 D Bonds and the Series 2006 E Bonds as to liens, pledge and source of and security for payment, being the (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000, (ii) 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, (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000, (iv) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705, (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000, and (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000. The Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2003 D Bonds, the Series 2003 E Bonds, the Series 2005 A Bonds, and the Series 2006 C Bonds are referred to herein collectively as the "Prior Bonds." The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System.

The Series 2006 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 2006 Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the registered owners of the Prior Bonds to the issuance of the Series 2006 Bonds on a parity with the Prior Bonds. Except for the Prior Bonds the Issuer has no other bonds, notes or other obligations secured by or payable from revenues or assets of the System.

L. The Issuer has complied with all requirements of West Virginia law and the Loan Agreements (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System, the refunding of the Series 2005 A Notes, and issuance of the Series 2006 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 West Virginia Water Pollution Control Revolving Fund Program 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 (1) have expired prior to the issuance of the Series 2006 Bonds; (2) such final order will not be subject to appeal; or (3) the time for appeal of such order shall not have expired, however, all parties to such case

before the Public Service Commission of West Virginia shall have stated that they will not appeal such order.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2006 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 2006 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 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2006 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.

"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 2006 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith or subordinate thereto 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 2006 Bonds for all or a portion of the proceeds of the Series 2006 Bonds from the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Strand Associates, Inc., Madison, Wisconsin, 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(H) hereof to be a part of the costs of design, acquisition and construction of the Project.

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

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such by resolution of the Board.

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

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

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

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

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

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

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

"Issuer" means The City of 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 Bond Purchase Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority, and the DEP, providing for the purchase of the Series 2006 D Bonds from the Issuer by the Authority and the bond purchase agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2006 E 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.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds and the Prior Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any term bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2006 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any,

deposited in the Series 2006 D Bonds Reserve Account or the Series 2006 E 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 2006 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" 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 Series 2006 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 DEP.

"Prior Bonds" means, collectively, the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000, (ii) 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, (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000, (iv) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705, (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000, and (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000.

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

"Prior Bonds Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer, as supplemented by the supplemental resolutions 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.

"Project" means collectively the 6th Street Pumping Station Project and the Environmental Project as described in Section 1.02B hereof.

"Qualified Investments" means and includes the following:

(a) Government Obligations;

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

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

Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

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

"Rebate Fund" means the Rebate Fund established by Section 5.01 hereof.

"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 2006 Bonds.

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

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

"Series 2005 A Notes" means the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, dated August 15, 2005, issued in the original aggregate principal amount of $9,000,000.

"Series 2006 Bonds" means, collectively, the Series 2006 D Bonds and the Series 2006 E Bonds.

"Series 2006 D Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2006 D Bonds Construction Trust Fund" means the Series 2006 D Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2006 D Bonds Reserve Account" means the Series 2006 D Bonds Reserve Account established by Section 5.02 hereof.

"Series 2006 D Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2006 D Bonds in the then current or any succeeding year.

"Series 2006 D Bonds Sinking Fund" means the Series 2006 D Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2006 E Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2006 E Bonds Construction Trust Fund" means the Series 2006 E Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2006 E Bonds Reserve Account" means the Series 2006 E Bonds Reserve Account established by Section 5.02 hereof.

"Series 2006 E Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2006 E Bonds in the then current or any succeeding year.

"Series 2006 E Bonds Sinking Fund" means the Series 2006 E 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 2006 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreements for the Series 2006 Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2006 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2006 Bonds, and not so included may be included in another Supplemental Resolution.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; REFUNDING OF THE SERIES 2005 A NOTES

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed ~~$15,500,000~~6,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2006 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, in an amount and otherwise compatible with the financing plan submitted to the Council, the Authority and the DEP. ~~The cost of the Project is estimated not to exceed $6,000,000, of which the entirety will be obtained from proceeds of the Series 2006 E Bonds.~~

Section 2.02. Authorization of Refunding of the Series 2005 A Notes. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and all accrued interest on the Series 2005 A Notes on the Closing Date. The entire cost of the refunding will be obtained from the proceeds of the Series 2006 D Bonds in an amount not to exceed $10,500,000. Upon payment in full of the Series 2005 A Notes, the pledge of funds in favor of the holders of the Series 2005 A Notes imposed by the Series 2005 A Notes Ordinance and the monies in the funds and accounts created by the Series 2005 A Notes Ordinance, if any, pledged to the payment of the Series 2005 A Notes are hereby ordered terminated, discharged and released.

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 2006 Bonds, if any, funding the respective reserve accounts for the Series 2006 Bonds, paying Costs of the Project not otherwise provided for, paying the cost of refunding the Series 2005 A Notes, and paying certain costs of issuance of the Series 2006 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 2006 Bonds of the Issuer. The Series 2006 Bonds shall be issued in two series, each as a single bond, designated respectively as "Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program)", in the principal amount of not more than $10,500,000, and "Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program)," in the principal amount of not more than $6,000,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2006 D Bonds remaining after funding of the Series 2006 D Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be applied ~~in full~~ on the Closing Date to the repayment of the Series 2005 A Notes and shall be deposited in or credited to the Series 2006 D Bonds Construction Trust Fund established by Section 5.01 hereof ~~to the costs of issuance of the Series 2006 D Bonds~~. The proceeds of the Series 2006 E Bonds remaining after funding of the Series 2006 E Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2006 E Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2006 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 2006 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 2006 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 2006 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing

the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2006 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 2006 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 2006 Bonds shall cease to be such officer of the Issuer before the Series 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 Bonds are exercised, all Series 2006 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2006 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2006 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 2006 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2006 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 2006 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 2006 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 2006 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2006 Bonds or the interest thereon.

Section 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 2006 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 Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2006 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2006 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 2006 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 2006 Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreements; and

E. The unqualified approving opinions of bond counsel on the Series 2006 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2006 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 2006 D BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D
(WEST VIRGINIA SRF PROGRAM)

No. DR-____ $_____

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, 20___, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority, and the DEP, dated _____, 2006.

This Bond is issued (i) to pay the entire cost of currently refunding the Issuer's outstanding Combined Waterworks and Sewerage System Bond Anticipation Notes, Series

2005 A, dated August 15, 2005, issued in the original aggregate principal amount of $9,000,000 (the "Series 2005 A Notes"); (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 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 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2006, and a Supplemental Resolution duly adopted by the Issuer on _____, 2006 (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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2006 D BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (II) 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 (THE "SERIES 2003 B BONDS"), (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"), (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"), AND (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM), DATED _____, 2006, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2006 E BONDS"). THE SERIES 2003 A BONDS, THE SERIES 2003 B BONDS, THE SERIES 2003 D BONDS, THE SERIES

2003 E BONDS, THE SERIES 2005 A BONDS, AND THE SERIES 2006 C BONDS ARE REFERRED TO HEREIN COLLECTIVELY AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2006 E Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2006 D 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 2006 D 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 Series 2006 C Bonds and the Series 2005 A Bonds are outstanding, and thereafter 115% thereof; provided however, that, when the Series 2006 C Bonds and the Series 2005 A Bonds are no longer outstanding and so long as there exists in the Series 2006 D 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 2006 E 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.

[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 _____, 2006.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 D 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: _____, 2006.

_____,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(a)	$		(s)	$	
(b)	$		(t)	$	
(c)	$		(u)	$	
(d)	$		(v)	$	
(e)	$		(w)	$	
(f)	$		(x)	$	
(g)	$		(y)	$	
(h)	$		(z)	$	
(i)	$		(aa)	$	
(j)	$		(bb)	$	
(k)	$		(cc)	$	
(l)	$		(dd)	$	
(m)	$		(ee)	$	
(n)	$		(ff)	$	
(o)	$		(gg)	$	
(p)	$		(hh)	$	
(q)	$		(ii)	$	
(r)	$		(jj)	$	

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 2006 E BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2006 E
(WEST VIRGINIA SRF PROGRAM)

No. ER-____ $_____

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, 20___, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority, and the DEP, dated _____, 2006.

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 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 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2006, and a Supplemental Resolution duly adopted by the Issuer on _____, 2006 (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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2006 E BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (II) 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 (THE "SERIES 2003 B BONDS"), (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"), (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"), AND (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), DATED _____, 2006, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2006 D BONDS"). THE SERIES 2003 A BONDS, THE SERIES 2003 B BONDS, THE SERIES 2003 D BONDS, THE SERIES 2003 E BONDS, THE SERIES 2005 A BONDS, AND THE SERIES 2006 C BONDS ARE REFERRED TO HEREIN COLLECTIVELY AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity

with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2006 D Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2006 E 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 2006 E 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 Series 2006 C Bonds and Series 2005 A Bonds are outstanding, and thereafter 115% thereof; provided however, that, when the Series 2006 C Bonds and the Series 2005 A Bonds are no longer outstanding and so long as there exists in the Series 2006 E 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 2006 D 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.

[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 _____, 2006.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 E 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: _____, 2006.

_____,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(a)	$		(s)	$	
(b)	$		(t)	$	
(c)	$		(u)	$	
(d)	$		(v)	$	
(e)	$		(w)	$	
(f)	$		(x)	$	
(g)	$		(y)	$	
(h)	$		(z)	$	
(i)	$		(aa)	$	
(j)	$		(bb)	$	
(k)	$		(cc)	$	
(l)	$		(dd)	$	
(m)	$		(ee)	$	
(n)	$		(ff)	$	
(o)	$		(gg)	$	
(p)	$		(hh)	$	
(q)	$		(ii)	$	
(r)	$		(jj)	$	

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 2006 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. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2006 Bonds, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Rebate Fund; ~~and~~

(4) Series 2006 D Bonds Construction Trust Fund; and

(5) Series 2006 E Bonds Construction Trust Fund.

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

(1) Series 2006 D Bonds Sinking Fund;

(2) Series 2006 D Bonds Reserve Account;

(3) Series 2006 E Bonds Sinking Fund; and

(4) Series 2006 E Bonds Reserve Account.

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

(1) The Issuer shall first, 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 Funds, the amount required by the Prior Ordinances to pay the interest on the Prior Bonds; (ii) commencing 3 months prior to the first date of payment of interest on the Series 2006 D Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2006 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2006 D 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 2006 D 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; and (iii) commencing 3 months prior to the first date of payment of interest on the Series 2006 E Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2006 E Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2006 E 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 2006 E 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 Funds, the amount required by the Prior Ordinances to pay the principal of the Prior Bonds; (ii) commencing 3 months prior to the first date of payment of principal of the Series 2006 D Bonds, for deposit in the Series 2006 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2006 D 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 2006 D 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; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2006 E Bonds, for deposit in the Series 2006 E Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2006 E 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 2006 E 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 Accounts, the amount required by the Prior Ordinances to be deposited therein; (ii) commencing 3 months prior to the first date of payment of principal of the Series 2006 D Bonds, if not fully funded upon issuance of the Series 2006 D Bonds, for deposit in the Series 2006 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2006 D Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2006 D 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 2006 D Bonds Reserve Requirement; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2006 E Bonds, if not fully funded upon issuance of the Series 2006 E Bonds, for deposit in the Series 2006 E Bonds Reserve Account, an amount equal to 1/120th of the Series 2006 E Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2006 E 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 2006 E Bonds Reserve Requirement.

(4) The Issuer shall next, each month, transfer from the Revenue Fund an amount sufficient to pay the 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 not less than 5% 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 any subordinate bonds, notes or obligations of the System.

Monies in the Series 2006 D Bonds Sinking Fund and Series 2006 E Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 D Bonds and Series 2006 E Bonds, respectively, as the same shall become due. Monies in the Series 2006 D Bonds Reserve Account and the Series 2006 E Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2006 D Bonds and Series 2006 E Bonds, respectively, as the same shall come due, when other monies in the Series 2006 D Bonds Sinking Fund and the Series 2006 E Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2006 D Bonds Sinking Fund, the Series 2006 D Bonds Reserve Account, the Series 2006 E Bonds Sinking Fund and the Series 2006 E Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer. The earnings attributable to the Series 2006 D Bonds shall be deposited by the Issuer in the Revenue Fund. During construction of the Project, the earnings attributable to the Series 2006 D Bonds shall be deposited in the Series 2006 D Bonds Construction Trust Fund and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2006 D Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis. During construction of the Project, the earnings attributable to the Series 2006 E Bonds shall be deposited in the Series 2006 E Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2006 E Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2006 D Bonds Reserve Account or the Series 2006 E 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 2006 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 2006 D Bonds Sinking Fund, the Series 2006 D Bonds Reserve Account, the Series 2006 E Bonds Sinking Fund or the Series 2006 E Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2006 D Bonds and Series 2006 E Bonds, respectively, 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 2006 D Bonds, and the Series 2006 E 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 2006 D Bonds Sinking Fund, the Series 2006 D Bonds Reserve Account, the Series 2006 E Bonds Sinking Fund and the Series 2006 E 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 2006 D Bonds Sinking Fund, the Series 2006 D Bonds Reserve Account, the Series 2006 E Bonds Sinking Fund and the Series 2006 E Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2006 D Bonds Sinking Fund, the Series 2006 D Bonds Reserve Account, the Series 2006 E Bonds Sinking Fund and the Series 2006 E Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2006 D Bonds and the Series 2006 E 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 2006 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as

to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreements for the Series 2006 Bonds.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the 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. A. From the monies received from the sale of the Series 2006 D Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(i) From the proceeds of the Series 2006 D Bonds, there shall first be transferred on the Closing Date to the Registered Owner of the Series 2005 A Notes the amount set forth in the Supplemental Resolution to pay in full the entire outstanding principal of and all accrued interest on the Series 2005 A Notes.

(ii) Next, from the proceeds of the Series 2006 D Bonds, there shall be deposited with the Commission in the Series 2006 D Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2006 D Bonds Reserve Account.

(iii) ~~As the Issuer receives advances of After the Series 2005 A Notes have been repaid in full, the remaining monies derived from the sale of the Series 2006 D Bonds, such monies shall be deposited with the Depositary Bank in the Series 2006 D Bonds Construction Trust Fund and applied solely to payment of the cost of the Environmental Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2006 D Bonds and the Series 2006 D Bonds Reserve Account has been funded in accordance with the Supplemental Resolution, the remaining proceeds shall be used to pay costs of issuance of the Series 2006 D Bonds and as otherwise directed by the Authority and DEP.~~

(iv) ~~After completion of construction of the Environmental Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2006 D Bonds shall be expended as approved by the DEP.~~

B. From the monies received from the sale of the Series 2006 E Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(i) From the proceeds of the Series 2006 E Bonds, there shall first be deposited with the Commission in the Series 2006 E 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 2006 E Bonds for the period commencing on the date of issuance of the Series 2006 E Bonds and ending 6 months after the estimated date of completion of construction of the Project.

(ii) Next, from the proceeds of the Series 2006 E Bonds, there shall be deposited with the Commission in the Series 2006 E Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2006 E Bonds Reserve Account.

(iii) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2006 E Bonds, such monies shall be deposited with the Depository Bank in the Series 2006 E Bonds Construction Trust Fund and applied solely to payment of the costs of the 6th Street Pump Station Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2006 E Bonds.

(iv) After completion of construction of the 6th Street Pump Station Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2006 E Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursement of Series 2006 E Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of each series the Series 2006 E Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the respective Series 2006 E Bonds Construction Trust Funds will be sought must be first approved by the Board.

Except as provided in Section 6.01 hereof, disbursements from the respective Series 2006 E Bonds Construction Trust Funds shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the applicable 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 of monies in the respective Series 2006 E-Bonds Construction Trust Fund, such monies shall be invested and reinvested in Qualified Investments at the written direction of the Board.

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 2006 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 2006 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 2006 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2006 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 2006 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2006 Bonds or the interest thereon.

Section 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 2006 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 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 Agreements. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted March 25, 2004, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2006 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 rates and charges initially established for the System in connection with the Series 2006 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 Ordinances and with the written consent of the Authority and the DEP.

So long as the Series 2006 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2006 D Bonds Sinking Fund and the Series 2006 E 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 2006 D Bonds and the Series 2006 E 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 Ordinances and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, 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 2006 Bonds. All obligations issued by the Issuer after the issuance of the Series 2006 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 2006 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 2006 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2006 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2006 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such additional Parity Bonds shall be issued except for the 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 any outstanding

debt, or to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

So long as the Series 2005 A Bonds are outstanding, no additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived from the System during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Prior Bonds then Outstanding;

(2) The Series 2005 A Bonds then Outstanding;

(3) Any additional parity Bonds theretofore issued and then Outstanding; and

(4) The additional parity Bonds then proposed to be issued.

So long as the Series 2006 C 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 the Independent Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received after the date of issuance of such additional Parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued and then Outstanding; and

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

When the Series 2005 A Bonds and the Series 2006 C Bonds are no longer outstanding, Series 2006 D Bonds, and Series 2006 E 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 120% 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 the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

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

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

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 DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Board shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the design, acquisition, construction and installation of the Project, the operation and maintenance of the System, and the administration of the loan or any grants or other sources of financing for the Project.

The Board shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The 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 and 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 or the Board 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 Board. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the 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 the Governing Body shall direct.

The Board shall file with the Authority and the DEP, or any other original purchaser of the Series 2006 Bonds and shall mail in each year to any Holder or

Holders of the Series 2006 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 2006 Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2006 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan 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 Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreements for the Series 2006 Bonds or any Exhibit thereto or as promulgated from time to time.

The Issuer shall permit the Authority or the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably

necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2006 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 (i) to provide for all Operating Expenses of the System and (ii) so long as the Series 2006 C Bonds, the Series 2005 A Bonds, and the Series 2006 Bonds are outstanding, to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of and interest on the Series 2006 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 Bonds, and thereafter 115% of such amount; provided that, when the Series 2006 C Bonds and the Series 2005 A Bonds are no longer outstanding, 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 2006 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 2006 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 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 DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding

and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the 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 and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the DEP, and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the 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 DEP 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Board shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the DEP, and the 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 require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Board shall notify the DEP in writing of such receipt. The Board shall submit a "Performance Certificate," a form of which is attached to the Loan Agreements as

Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Board shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Board shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Board shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreements. The Board shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

Section 7.13. Enforcement of Collections. The 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 2006 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 Agreements, 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 Agreements so require, such insurance shall be made payable to the order of the Authority, the DEP, 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 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 for issuance of the Series 2006 Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(L).

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 DEP 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 DEP, or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2006 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 2006 Bonds during the term thereof is, under the terms

of the Series 2006 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 2006 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2006 Bonds during the term thereof is, under the terms of the Series 2006 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Authority and the DEP for written approval. The Issuer shall obtain the written approval of the Authority and the DEP before expending any proceeds of the Series 2006 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 Authority and the DEP before expending any proceeds of the Series 2006 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the Authority and the DEP 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 2006 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 2006 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Board, at least once each year, or more often as reasonably requested by the Board, a summary of such funds, accounts and investment earnings. The Board 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 2006 Bonds are Outstanding.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2006 Bonds as a condition to issuance of the Series 2006 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2006 Bonds as may be necessary in order to maintain the status of the Series 2006 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2006 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the West Virginia Infrastructure and Jobs Development Council or the DEP, as the case may be, from which

the proceeds of the Series 2006 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2006 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2006 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 2006 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2006 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 Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2006 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 or the Board 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 OF BONDS

Section 10.01. Payment of Series 2006 D Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2006 D 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 2006 D 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 2006 D Bonds from gross income for federal income tax purposes.

Section 10.02. Payment of Series 2006 E Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2006 E 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 2006 E 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 2006 E Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2006 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2006 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 2006 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2006 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2006 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 2006 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 2006 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 2006 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds 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 2006 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:	October 24, 2006
Passed on Second Reading:	November 14, 2006
Passed on Final Reading Following Public Hearing:	November 28, 2006

_____
Mayor

APPROVED AND CORRECT AS TO FORM:

_____
CITY ATTORNEY

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of THE CITY OF PARKERSBURG on the 28th day of November, 2006.

Dated: December 14, 2006.

[SEAL]

_____

City Clerk

EXHIBIT A

Loan Agreements included in bond transcript as Documents 3 and 4

08/30/06
686870.00020

THE CITY OF PARKERSBURG

Combined Waterworks and
Sewerage System Refunding Revenue Bonds, Series 2006 D
(West Virginia SRF Program)
and
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2006 E
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM) 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; APPROVING A CONFORMED ORDINANCE; 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 November 28, 2006 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2005 A; AND AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS,

BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE 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 $10,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $6,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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 Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program) and Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), of the Issuer (collectively, the "Series 2006 Bonds" and individually, the "Series 2006 D Bonds," and the "Series 2006 E Bonds"), in the respective aggregate principal amounts not to exceed $10,500,000 and $6,000,000, and has authorized the execution and delivery of a bond purchase agreement relating to the Series 2006 D Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and a bond purchase agreement relating to the Series 2006 E Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the Authority and the DEP (collectively, the "Loan Agreements"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan 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 2006 Bonds should be established by a supplemental resolution pertaining to the Series 2006 Bonds; and that other matters relating to the Series 2006 Bonds be herein provided for;

WHEREAS, the Ordinance has been revised after its adoption and the Governing Body deems it essential and desirable that a Conformed Bond Ordinance be approved and entered into by the Issuer;

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

WHEREAS, the Series 2006 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 2006 Bonds be fixed hereby in the manner stated herein, approving a conformed Ordinance and that other matters relating to the Series 2006 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. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered DR-1, in the original aggregate principal amount of $9,000,000. The Series 2006 D Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2038, and shall bear no interest. The principal of the Series 2006 D Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June1, 2008, and maturing March 1, 2038, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2006 D Bonds and incorporated in and made a part of the Series 2006 D Bonds. The Series 2006 D Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement for the

Series 2006 D Bonds, as long as the Authority shall be the registered owner of the Series 2006 D Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to .5 % of the principal amount of the Series 2006 D Bonds set forth in "Schedule Y" attached to the Loan Agreement.

B. Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered ER-1, in the original aggregate principal amount of $4,372,600. The Series 2006 E Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2038, and shall bear no interest. The principal of the Series 2006 E Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, and maturing September 1, 2038, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2006 E Bonds and incorporated in and made a part of the Series 2006 E Bonds. The Series 2006 E Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement for the Series 2006 E Bonds, as long as the Authority shall be the registered owner of the Series 2006 E Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to .5 % of the principal amount of the Series 2006 E Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Series 2006 Bonds and the text of each series of the Series 2006 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 applications to the DEP and the Authority. The price of the Series 2006 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2006 Bonds shall be advanced from time to time as set forth hereinafter and in the Bonds Ordinance.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2006 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2006 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 2006 Bonds under the Bond Ordinance.

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

Section 7. Series 2006 D Bonds proceeds in the amount of $-0- shall be deposited in the Series 2006 D Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2006 D Bonds proceeds in the amount of $-0- shall be deposited in the Series 2006 D Bonds Reserve Account.

Section 9. Series 2006 D Bonds proceeds in the amount of $636,280.84 shall be immediately transferred on the Closing Date to the Registered Owner of the Issuer's outstanding Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, dated August 15, 2005 (the "Series 2005 A Notes") to pay in full the entire outstanding principal of and all accrued interest on the Series 2005 A Notes in order to discharge and satisfy the same. The balance of the proceeds of the Series 2006 D Bonds shall be deposited in or credited to the Series 2006 D Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2006 E Bonds and related costs.

Section 10. Series 2006 E Bonds proceeds in the amount of $-0- shall be deposited in the Series 2006 E Bonds Sinking Fund, as capitalized interest.

Section 11. Series 2006 E Bonds proceeds in the amount of $145,772 shall be deposited in the Series 2006 E Bonds Reserve Account.

Section 12. The balance of the proceeds of the Series 2006 E Bonds shall be deposited in or credited to the Series 2006 E Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2006 E Bonds and related costs.

Section 13. 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 2006 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2006 Bonds may be delivered on or about December 14, 2006, to the Authority pursuant to the Loan Agreements.

Section 14. The refunding of the Series 2005 A Notes, the acquisition and construction of the Projects, and the financing thereof in part with proceeds of the Series 2006 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 15. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 16. 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 and the Reserve Accounts for the Series 2006 Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 17. The Issuer covenants that it will take all actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Authority's bonds.

Section 18 The Issuer hereby appoints the City of Parkersburg Utility Board as its agent for the review and approval of all invoices for the Project to be paid from the proceeds of the Series 2006 Bonds.

Section 19. The Issuer hereby approves the Conformed Ordinance attached hereto as Exhibit A, incorporated herein and made a part hereof.

Section 20. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 28th day of November, 2006.

Robert S. Newell
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Parkersburg on the 28th day of November, 2006.

Dated: December 14, 2006.

[SEAL]

Connie Shafer
City Clerk

11.28.06
686870.00020

EXHIBIT A

CONFORMED BOND ORDINANCE

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D
(WEST VIRGINIA SRF PROGRAM)

No. DR-1 $9,000,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 14th day of December, 2006, 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 NINE MILLION DOLLARS ($9,000,000), 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 June 1, 2008, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2008, 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").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority, and the DEP, dated November 16, 2006.

This Bond is issued (i) to pay the entire cost of currently refunding the Issuer's outstanding Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2005 A, dated August 15, 2005, issued in the original aggregate principal amount of $9,000,000 (the "Series 2005 A Notes"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the wastewater treatment plant portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer 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 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on November 28, 2006, and a Supplemental Resolution duly adopted by the Issuer on December 12, 2006 (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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2006 D BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (II) 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 (THE "SERIES 2003 B BONDS"), (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"), (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"), AND (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,372,600 (THE "SERIES 2006 E BONDS"). THE SERIES 2003 A BONDS, THE SERIES 2003 B BONDS, THE SERIES 2003 D BONDS, THE SERIES 2003 E BONDS, THE SERIES 2005 A BONDS, AND THE SERIES 2006 C BONDS ARE REFERRED TO HEREIN COLLECTIVELY AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2006 E Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2006 D 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 2006 D 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 Series 2006 C Bonds and the Series 2005 A Bonds are outstanding, and thereafter 115% thereof; provided however, that, when the Series 2006 C Bonds and the Series 2005 A Bonds are no longer outstanding and so long as there exists in the Series 2006 D 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 2006 E 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.

[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 the day and year first written above.

[SEAL]

Robert J. Newell
Mayor

ATTEST:

SPECIMEN

Connie Shafer
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 D 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: December 14, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$636,281	12/14/06	(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

Date	Principal	Coupon	Total P+I
06/01/2008	75,000.00	-	75,000.00
09/01/2008	75,000.00	-	75,000.00
12/01/2008	75,000.00	-	75,000.00
03/01/2009	75,000.00	-	75,000.00
06/01/2009	75,000.00	-	75,000.00
09/01/2009	75,000.00	-	75,000.00
12/01/2009	75,000.00	-	75,000.00
03/01/2010	75,000.00	-	75,000.00
06/01/2010	75,000.00	-	75,000.00
09/01/2010	75,000.00	-	75,000.00
12/01/2010	75,000.00	-	75,000.00
03/01/2011	75,000.00	-	75,000.00
06/01/2011	75,000.00	-	75,000.00
09/01/2011	75,000.00	-	75,000.00
12/01/2011	75,000.00	-	75,000.00
03/01/2012	75,000.00	-	75,000.00
06/01/2012	75,000.00	-	75,000.00
09/01/2012	75,000.00	-	75,000.00
12/01/2012	75,000.00	-	75,000.00
03/01/2013	75,000.00	-	75,000.00
06/01/2013	75,000.00	-	75,000.00
09/01/2013	75,000.00	-	75,000.00
12/01/2013	75,000.00	-	75,000.00
03/01/2014	75,000.00	-	75,000.00
06/01/2014	75,000.00	-	75,000.00
09/01/2014	75,000.00	-	75,000.00
12/01/2014	75,000.00	-	75,000.00
03/01/2015	75,000.00	-	75,000.00
06/01/2015	75,000.00	-	75,000.00
09/01/2015	75,000.00	-	75,000.00
12/01/2015	75,000.00	-	75,000.00
03/01/2016	75,000.00	-	75,000.00
06/01/2016	75,000.00	-	75,000.00
09/01/2016	75,000.00	-	75,000.00
12/01/2016	75,000.00	-	75,000.00
03/01/2017	75,000.00	-	75,000.00
06/01/2017	75,000.00	-	75,000.00
09/01/2017	75,000.00	-	75,000.00
12/01/2017	75,000.00	-	75,000.00

Date	Principal	Coupon	Total P+I
03/01/2018	75,000.00	-	75,000.00
06/01/2018	75,000.00	-	75,000.00
09/01/2018	75,000.00	-	75,000.00
12/01/2018	75,000.00	-	75,000.00
03/01/2019	75,000.00	-	75,000.00
06/01/2019	75,000.00	-	75,000.00
09/01/2019	75,000.00	-	75,000.00
12/01/2019	75,000.00	-	75,000.00
03/01/2020	75,000.00	-	75,000.00
06/01/2020	75,000.00	-	75,000.00
09/01/2020	75,000.00	-	75,000.00
12/01/2020	75,000.00	-	75,000.00
03/01/2021	75,000.00	-	75,000.00
06/01/2021	75,000.00	-	75,000.00
09/01/2021	75,000.00	-	75,000.00
12/01/2021	75,000.00	-	75,000.00
03/01/2022	75,000.00	-	75,000.00
06/01/2022	75,000.00	-	75,000.00
09/01/2022	75,000.00	-	75,000.00
12/01/2022	75,000.00	-	75,000.00
03/01/2023	75,000.00	-	75,000.00
06/01/2023	75,000.00	-	75,000.00
09/01/2023	75,000.00	-	75,000.00
12/01/2023	75,000.00	-	75,000.00
03/01/2024	75,000.00	-	75,000.00
06/01/2024	75,000.00	-	75,000.00
09/01/2024	75,000.00	-	75,000.00
12/01/2024	75,000.00	-	75,000.00
03/01/2025	75,000.00	-	75,000.00
06/01/2025	75,000.00	-	75,000.00
09/01/2025	75,000.00	-	75,000.00
12/01/2025	75,000.00	-	75,000.00
03/01/2026	75,000.00	-	75,000.00
06/01/2026	75,000.00	-	75,000.00
09/01/2026	75,000.00	-	75,000.00
12/01/2026	75,000.00	-	75,000.00
03/01/2027	75,000.00	-	75,000.00
06/01/2027	75,000.00	-	75,000.00
09/01/2027	75,000.00	-	75,000.00
12/01/2027	75,000.00	-	75,000.00
03/01/2028	75,000.00	-	75,000.00
06/01/2028	75,000.00	-	75,000.00
09/01/2028	75,000.00	-	75,000.00
12/01/2028	75,000.00	-	75,000.00

Date	Principal	Coupon	Total P+I
03/01/2029	75,000.00	-	75,000.00
06/01/2029	75,000.00	-	75,000.00
09/01/2029	75,000.00	-	75,000.00
12/01/2029	75,000.00	-	75,000.00
03/01/2030	75,000.00	-	75,000.00
06/01/2030	75,000.00	-	75,000.00
09/01/2030	75,000.00	-	75,000.00
12/01/2030	75,000.00	-	75,000.00
03/01/2031	75,000.00	-	75,000.00
06/01/2031	75,000.00	-	75,000.00
09/01/2031	75,000.00	-	75,000.00
12/01/2031	75,000.00	-	75,000.00
03/01/2032	75,000.00	-	75,000.00
06/01/2032	75,000.00	-	75,000.00
09/01/2032	75,000.00	-	75,000.00
12/01/2032	75,000.00	-	75,000.00
03/01/2033	75,000.00	-	75,000.00
06/01/2033	75,000.00	-	75,000.00
09/01/2033	75,000.00	-	75,000.00
12/01/2033	75,000.00	-	75,000.00
03/01/2034	75,000.00	-	75,000.00
06/01/2034	75,000.00	-	75,000.00
09/01/2034	75,000.00	-	75,000.00
12/01/2034	75,000.00	-	75,000.00
03/01/2035	75,000.00	-	75,000.00
06/01/2035	75,000.00	-	75,000.00
09/01/2035	75,000.00	-	75,000.00
12/01/2035	75,000.00	-	75,000.00
03/01/2036	75,000.00	-	75,000.00
06/01/2036	75,000.00	-	75,000.00
09/01/2036	75,000.00	-	75,000.00
12/01/2036	75,000.00	-	75,000.00
03/01/2037	75,000.00	-	75,000.00
06/01/2037	75,000.00	-	75,000.00
09/01/2037	75,000.00	-	75,000.00
12/01/2037	75,000.00	-	75,000.00
03/01/2038	75,000.00	-	75,000.00
Total	**$9,000,000.00**	-	**$9,000,000.00***

*Plus $5,671.88 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $680,625.60.

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:

_____

11/27/06
686870.00018

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2006 E
(WEST VIRGINIA SRF PROGRAM)

No. ER-1 $4,372,600

KNOW ALL MEN BY THESE PRESENTS: That on this the 14th day of December, 2006, 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 THREE HUNDRED SEVENTY-TWO THOUSAND SIX HUNDRED DOLLARS ($4,372,600), 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 December 1, 2008, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing December 1, 2008, 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").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority, and the DEP, dated November 16, 2006.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) funding a reserve account for the Series 2006 E 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 22 C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on November 28, 2006, and a Supplemental Resolution duly adopted by the Issuer on December 12, 2006 (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.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH THE SERIES 2006 E BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"), (II) 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 (THE "SERIES 2003 B BONDS"), (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"), (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"), (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"), (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"), AND (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,000,000 (THE "SERIES 2006 D BONDS"). THE SERIES 2003 A BONDS, THE SERIES 2003 B BONDS, THE SERIES 2003 D BONDS, THE SERIES 2003 E BONDS, THE SERIES 2005 A BONDS, AND THE SERIES 2006 C BONDS ARE REFERRED TO HEREIN COLLECTIVELY AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the

System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds and the Series 2006 D Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2006 E 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 2006 E 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 Series 2006 C Bonds and Series 2005 A Bonds are outstanding, and thereafter 115% thereof; provided however, that, when the Series 2006 C Bonds and the Series 2005 A Bonds are no longer outstanding and so long as there exists in the Series 2006 E 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 2006 D 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.

[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 the day and year first written above.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 E 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: December 14, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$546,871	12-14-06	(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

Date	Principal	Coupon	Total P+I
12/01/2008	36,439.00	-	36,439.00
03/01/2009	36,439.00	-	36,439.00
06/01/2009	36,439.00	-	36,439.00
09/01/2009	36,439.00	-	36,439.00
12/01/2009	36,439.00	-	36,439.00
03/01/2010	36,439.00	-	36,439.00
06/01/2010	36,439.00	-	36,439.00
09/01/2010	36,439.00	-	36,439.00
12/01/2010	36,439.00	-	36,439.00
03/01/2011	36,439.00	-	36,439.00
06/01/2011	36,439.00	-	36,439.00
09/01/2011	36,439.00	-	36,439.00
12/01/2011	36,439.00	-	36,439.00
03/01/2012	36,439.00	-	36,439.00
06/01/2012	36,439.00	-	36,439.00
09/01/2012	36,439.00	-	36,439.00
12/01/2012	36,439.00	-	36,439.00
03/01/2013	36,439.00	-	36,439.00
06/01/2013	36,439.00	-	36,439.00
09/01/2013	36,439.00	-	36,439.00
12/01/2013	36,439.00	-	36,439.00
03/01/2014	36,439.00	-	36,439.00
06/01/2014	36,439.00	-	36,439.00
09/01/2014	36,439.00	-	36,439.00
12/01/2014	36,439.00	-	36,439.00
03/01/2015	36,439.00	-	36,439.00
06/01/2015	36,439.00	-	36,439.00
09/01/2015	36,439.00	-	36,439.00
12/01/2015	36,439.00	-	36,439.00
03/01/2016	36,439.00	-	36,439.00
06/01/2016	36,439.00	-	36,439.00
09/01/2016	36,439.00	-	36,439.00
12/01/2016	36,439.00	-	36,439.00
03/01/2017	36,439.00	-	36,439.00
06/01/2017	36,439.00	-	36,439.00
09/01/2017	36,439.00	-	36,439.00
12/01/2017	36,439.00	-	36,439.00

Date	Principal	Coupon	Total P+I
03/01/2018	36,439.00	-	36,439.00
06/01/2018	36,439.00	-	36,439.00
09/01/2018	36,439.00	-	36,439.00
12/01/2018	36,438.00	-	36,438.00
03/01/2019	36,438.00	-	36,438.00
06/01/2019	36,438.00	-	36,438.00
09/01/2019	36,438.00	-	36,438.00
12/01/2019	36,438.00	-	36,438.00
03/01/2020	36,438.00	-	36,438.00
06/01/2020	36,438.00	-	36,438.00
09/01/2020	36,438.00	-	36,438.00
12/01/2020	36,438.00	-	36,438.00
03/01/2021	36,438.00	-	36,438.00
06/01/2021	36,438.00	-	36,438.00
09/01/2021	36,438.00	-	36,438.00
12/01/2021	36,438.00	-	36,438.00
03/01/2022	36,438.00	-	36,438.00
06/01/2022	36,438.00	-	36,438.00
09/01/2022	36,438.00	-	36,438.00
12/01/2022	36,438.00	-	36,438.00
03/01/2023	36,438.00	-	36,438.00
06/01/2023	36,438.00	-	36,438.00
09/01/2023	36,438.00	-	36,438.00
12/01/2023	36,438.00	-	36,438.00
03/01/2024	36,438.00	-	36,438.00
06/01/2024	36,438.00	-	36,438.00
09/01/2024	36,438.00	-	36,438.00
12/01/2024	36,438.00	-	36,438.00
03/01/2025	36,438.00	-	36,438.00
06/01/2025	36,438.00	-	36,438.00
09/01/2025	36,438.00	-	36,438.00
12/01/2025	36,438.00	-	36,438.00
03/01/2026	36,438.00	-	36,438.00
06/01/2026	36,438.00	-	36,438.00
09/01/2026	36,438.00	-	36,438.00
12/01/2026	36,438.00	-	36,438.00
03/01/2027	36,438.00	-	36,438.00
06/01/2027	36,438.00	-	36,438.00
09/01/2027	36,438.00	-	36,438.00
12/01/2027	36,438.00	-	36,438.00
03/01/2028	36,438.00	-	36,438.00
06/01/2028	36,438.00	-	36,438.00
09/01/2028	36,438.00	-	36,438.00
12/01/2028	36,438.00	-	36,438.00

Date	Principal	Coupon	Total P+I
03/01/2029	36,438.00	-	36,438.00
06/01/2029	36,438.00	-	36,438.00
09/01/2029	36,438.00	-	36,438.00
12/01/2029	36,438.00	-	36,438.00
03/01/2030	36,438.00	-	36,438.00
06/01/2030	36,438.00	-	36,438.00
09/01/2030	36,438.00	-	36,438.00
12/01/2030	36,438.00	-	36,438.00
03/01/2031	36,438.00	-	36,438.00
06/01/2031	36,438.00	-	36,438.00
09/01/2031	36,438.00	-	36,438.00
12/01/2031	36,438.00	-	36,438.00
03/01/2032	36,438.00	-	36,438.00
06/01/2032	36,438.00	-	36,438.00
09/01/2032	36,438.00	-	36,438.00
12/01/2032	36,438.00	-	36,438.00
03/01/2033	36,438.00	-	36,438.00
06/01/2033	36,438.00	-	36,438.00
09/01/2033	36,438.00	-	36,438.00
12/01/2033	36,438.00	-	36,438.00
03/01/2034	36,438.00	-	36,438.00
06/01/2034	36,438.00	-	36,438.00
09/01/2034	36,438.00	-	36,438.00
12/01/2034	36,438.00	-	36,438.00
03/01/2035	36,438.00	-	36,438.00
06/01/2035	36,438.00	-	36,438.00
09/01/2035	36,438.00	-	36,438.00
12/01/2035	36,438.00	-	36,438.00
03/01/2036	36,438.00	-	36,438.00
06/01/2036	36,438.00	-	36,438.00
09/01/2036	36,438.00	-	36,438.00
12/01/2036	36,438.00	-	36,438.00
03/01/2037	36,438.00	-	36,438.00
06/01/2037	36,438.00	-	36,438.00
09/01/2037	36,438.00	-	36,438.00
12/01/2037	36,438.00	-	36,438.00
03/01/2038	36,438.00	-	36,438.00
06/01/2038	36,438.00	-	36,438.00
09/01/2038	36,438.00	-	36,438.00
Total	$4,372,600.00	-	$4,372,600.00*

*Plus $2,755.64 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $330,676.80.

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

11.16.06
686870.00018

THE CITY OF PARKERSBURG

COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA DWTRF PROGRAM)

BOND ORDINANCE

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SIGNATURES
CERTIFICATION

THE CITY OF PARKERSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $5,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE 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 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of 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 City of Parkersburg Utility Board (the "Board") a combined municipal waterworks and sewerage system (the "System"). However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and

improvements to the existing waterworks portion of the System of the Issuer, consisting of replacement of 12 inch, 10 inch, 8 inch, 6 inch, 4 inch and 2 inch water main, installation of fire protection, interconnection of the Sayre Avenue/Reservoir service area to the Woodland Park and Canterbury Drive service areas, together with all necessary appurtenances (collectively, the "Project") (the existing combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund.

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 $5,800,000 in one or more series (the "Series 2011 A Bonds") initially planned to be the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program) in the aggregate principal amount of not more than $5,800,000 (the "Series 2011 A Bonds") to permanently finance a portion the costs of acquisition and construction of the Project, and pay the costs of issuance thereof. 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 2011 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority including the Administrative Fee (as hereinafter defined) for the Series 2011 A Bonds; discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2011 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2011 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 22 years.

F. It is in the best interests of the Issuer that its Series 2011 A Bonds be sold to the Authority pursuant to the terms and provisions of a Loan Agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in the form satisfactory to the parties (the "Loan Agreement") 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 2011 A Bonds as to liens, pledge and source of and security for payment, being the (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000 (the "Series 2003 A Bonds"); (ii) 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 (the "Series 2003 B Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000 (the "Series 2003 D Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705 (the "Series 2003 E Bonds"); (v) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000 (the "Series 2005 A Bonds"); (vi) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000 (the "Series 2006 C Bonds"); (vii) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000 (the "Series 2006 D Bonds"); and (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,372,600 (the "Series 2006 E Bonds"), (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by a first lien on the Gross Revenues of the System.

The Series 2011 A 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 2011 A Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the registered owners of the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2006 D Bonds, and Series 2006 E Bonds to the issuance of the Series 2011 A Bonds on a parity with the Prior Bonds. The Series 2005 A Bonds and Series 2006 C Bonds do not require consent. Except for the Prior Bonds 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 Series 2011 A Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2011 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the 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 2011 A 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 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 2011 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2011 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means the Administrative Fee required to be paid pursuant to the Loan Agreement for the Series 2011 A Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2011 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

"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 2011 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

"Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2011 A Bonds for all or a portion of the proceeds of the Series 2011 A Bonds from the Authority.

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

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

"Consulting Engineers" means Burgess & Niple, Inc., 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 1.02G hereof to be a part of the cost of acquisition and construction of the Project.

"Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

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

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

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

"Grants" means any grants committed to the Project.

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

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

"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 of the Issuer.

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered into by and between the Issuer and the Authority, on behalf of BPH, providing for the purchase of the Series 2011 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2011 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2011 A Bonds Reserve Account.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and Paying Agent (all as herein defined), payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale

or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Parity Bonds" means 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 BPH.

"Prior Bonds" means, collectively, the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2005 A Bonds, Series 2006 C Bonds, Series 2006 D Bonds and Series 2006 E Bonds.

"Prior Ordinance" means the ordinances of the Issuer, as supplemented by the supplemental resolutions of the Issuer, authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such

obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Depreciation Account created by the Prior Ordinance and renamed and continued per Section 5.01 herein..

"Reserve Accounts" means, collectively, the reserve accounts established for the Prior Bonds and the Series 2011 A Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2011 A Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance.

"Series 2003 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (West Virginia Infrastructure Fund), dated March 4, 2003, issued in the original aggregate principal amount of $4,000,000.

"Series 2003 B Bonds" means the Issuer's 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.

"Series 2003 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 D (West Virginia Infrastructure Fund), dated August 4, 2003, issued in the original aggregate principal amount of $926,000.

"Series 2003 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 E (West Virginia SRF Program), dated August 4, 2003, issued in the original aggregate principal amount of $4,326,705.

"Series 2005 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A, dated August 1, 2005, issued in the original aggregate principal amount of $34,950,000.

"Series 2006 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 C, dated June 15, 2006, issued in the original aggregate principal amount of $17,425,000.

"Series 2006 D Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2006 D (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $9,000,000.

"Series 2006 E Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 E (West Virginia SRF Program), dated December 14, 2006, issued in the original aggregate principal amount of $4,372,600.

"Series 2011 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2011 A Bonds Construction Trust Fund" means the Series 2011 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2011 A Bonds Reserve Account" means the Series 2011 A Bonds Reserve Account established in Section 5.02 hereof.

"Series 2011 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 2011 A Bonds in the then current or any succeeding year.

"Series 2011 A Bonds Sinking Fund" means the Series 2011 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2011 A 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 2011 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2011 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means collectively, the existing combined waterworks and sewerage system of the Issuer, and shall include any 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 DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by BPH and funded by capitalized grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $6,800,000, and ordered 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 2011 A Bonds hereby authorized, shall be applied as provided in Article VI hereof.

The cost of the Project is estimated not to exceed $6,800,000 of which approximately $5,800,000 will be obtained from proceeds of the Series 2011 A Bonds and approximately $1,000,000 will be a contribution from the Issuer.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2011 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2011 A Bonds of the Issuer. The Series 2011 A Bonds shall be issued in one series, as a single bond, designated as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program)", in the principal amount of not more than $5,800,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2011 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2011 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2011 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2011 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2011 A Bonds, if any, 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 2011 A Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2011 A Bonds. The Series 2011 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of

payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2011 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2011 A Bonds shall cease to be such officer of the Issuer before the Series 2011 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such 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 2011 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2011 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2011 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2011 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2011 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2011 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2011 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of

this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of 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 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2011 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be 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 2011 A Bonds shall not, in any event, be or constitute a corporate 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 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 A Bonds or the interest, if any, 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 2011 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2011 A Bonds and the Prior 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 2011 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2011 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2011 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2011 A Bonds to the original purchasers;

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

D. Executed copies of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2011 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2011 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2011 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2011 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2011, 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, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____1, 20__, to and including _____1, 20__, at an interest rate of ____% per annum as set forth on said EXHIBIT B. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2011, and a Supplemental Resolution duly adopted by the Issuer on _____, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (II) 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 (THE "SERIES 2003 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"); (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"); (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"); (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"); (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,000,000 (THE "SERIES 2006 D BONDS"); AND (VIII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,372,600 (THE "SERIES 2006 E BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds

Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 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, either individually or combined, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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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 Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 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: _____, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2011 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated in this Bond Legislation.

Section 3.12. "Amended Schedule A" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority a schedule, setting forth the actual costs of the Project and sources of funds.

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) Renewal and Replacement Fund (established by the Prior Ordinance as the Depreciation Fund, hereby renamed and continued); and

(3) Series 2011 A Bonds Construction Trust Fund.

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

(1) Series 2003 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 2003 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 2003 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 2003 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 2003 D Bonds Sinking Fund (established by Prior Ordinance);

(6) Series 2003 D Bonds Reserve Account (established by Prior Ordinance);

(7) Series 2003 E Bonds Sinking Fund (established by Prior Ordinance);

(8) Series 2003 E Bonds Reserve Account (established by Prior Ordinance);

(9) Series 2005 A Bonds Sinking Fund (established by Prior Ordinance);

(10) Series 2005 A Bonds Reserve Account (established by Prior Ordinance);

(11) Series 2006 C Bonds Sinking Fund (established by Prior Ordinance);

(12) Series 2006 C Reserve Account (established by Prior Ordinance);

(13) Series 2006 D Bonds Sinking Fund (established by Prior Ordinance);

(14) Series 2006 D Bonds Reserve Account (established by Prior Ordinance);

(15) Series 2006 E Bonds Sinking Fund (established by Prior Ordinance);

(16) Series 2006 E Bonds Reserve Account (established by Prior Ordinance);

(17) Series 2011 A Bonds Sinking Fund; and

(18) Series 2011 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided 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 this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month on or before the due date, transfer from the Revenue Fund and simultaneously remit to the Commission (i) on the first

day of the month the amounts required to be paid by Prior Ordinance for the interest on the Series 2003 A Bonds, Series 2003 B Bonds, Series 2003 D Bonds, Series 2003 E Bonds, Series 2005 A Bonds and Series 2006 C Bonds; and (ii) on the first day of the month, commencing 4 months prior to the first date of payment of interest of the Series 2011 A Bonds for deposit in the Series 2011 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will accrue and become due on the Series 2011 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 2011 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required to be paid by the Prior Ordinance for the principal on the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds for deposit in the Series 2011 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2011 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 2011 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.

(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 respective Reserve Accounts for the Prior Bonds the amounts required by Prior Ordinance; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds, if not fully funded upon issuance of the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2011 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 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 2011 A Bonds Reserve Requirement.

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

(5) The Issuer shall next transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 5% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in as provided herein. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs,

improvements or extensions to the System; provided that, any deficiencies in any reserve account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2011 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2011 A Bonds as the same shall become due. Monies in the Series 2011 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2011 A Bonds as the same shall come due, when other monies in the Series 2011 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2011 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2011 A Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2011 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements, shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority as set forth above, all on a prorata basis.

As and when additional Bonds ranking on a parity with the Series 2011 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2011 A Bonds Sinking Fund or the Series 2011 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2011 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2011 A Bonds, in accordance with the principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account, shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2011 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve payments with respect to the Series 2011 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement for the Series 2011 A Bonds.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as herein above 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 as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the 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. The Issuer shall 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 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

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2011 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2011 A Bonds, there shall be deposited with the Commission in the Series 2011 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2011 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2011 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2011 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2011 A Bonds.

C. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2011 A Bonds shall be expended as approved by the BPH.

Section 6.02. Disbursement from the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the net proceeds of the Series 2011 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2011 A Bonds Construction Trust Fund shall be made only after submission to the approval from the BPH, of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreements as Exhibit B, in compliance with the Issuer's construction schedule, and

(2) a certificate, signed by an Authorized Officer 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 2011 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2011 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2011 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2011 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2011 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 A Bonds, or the interest, if any, 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 2011 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2011 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation

are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted on May 4, 2010 and the sewer rate ordinance of the Issuer enacted November 9, 2004 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2011 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2011 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the 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 as provided herein and with the written consent of the Authority and the BPH. So long as the Series 2011 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2011 A Bonds, immediately be remitted to the Commission for deposit in the Series 2011 A Bonds Sinking Fund and pro rata with respect to the principal amount of each of the Bonds then outstanding and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2011 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $10,000, the Issuer shall, by approval of the Board, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be deposited in the Revenue Fund. The payment of such proceeds into the revenue Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders 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 2011 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2011 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2011 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2011 A Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2011 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority 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 2011 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the BPH and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2011 A Bonds.

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

So long as the Series 2005 A Bonds are outstanding, no additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived from the System during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued and then Outstanding; and

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

So long as the Series 2006 C 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 the Independent Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received after the date of issuance of such additional Parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued and then Outstanding; and

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

So long as the Series 2003 A Bonds, Series 2003 B Bonds, series 2003 D Bonds, Series 2003 E Bonds, Series 2006 D Bonds, Series 2006 E Bonds or Series 2011 A Bonds are outstanding, no such Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates 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 Clerk of the Issuer 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 filed with the Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All the covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2011 A 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. All the Bonds issued on a parity, 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 Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the

prior and superior lien of the Series 2011 A Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2011 A Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

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

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the BPH, or any other original purchaser of the Series 2011 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2011 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2011 A Bonds and shall submit the report to the Authority and the BPH, or any other original purchaser of the Series 2011 A Bonds. Such audit report submitted to the Authority and the BPH shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2011 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the 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, either individually or combined, (i) to provide for all Operating Expenses of the System and (ii) so long as the Series 2005 A Bonds and series 2006 C Bonds are outstanding to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 A Bonds, including the Prior Bonds, and thereafter 115% of such amount; provided that, when the Series 2005 A and Series 2006 A Bonds are no longer outstanding, in the event that amounts equal to or in excess of the reserve requirement are on deposit respectively in the Series 2011 A Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2011 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the BPH and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the BPH and any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

The Issuer shall require the Consulting Engineers to submit As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and Federal standards. The Issuer shall employ qualified operating personnel properly certified by the State and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2011 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the sewerage 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 Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the BPH necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2011 A Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Loan Agreement attached hereto as Exhibit A is incorporated herein in its entirety. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the BPH with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules, regulations, the applicable Cross Cutter Authorities and all applicable local ordinances issued by the Authority, the BPH or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.19. [RESERVED]

Section 7.20. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage

and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2011 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2011 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 BPH before expending any proceeds of the Series 2011 A Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2011 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2011 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on

such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often 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 2011 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2011 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2011 A Bonds as a condition to issuance of the Series 2011 A Bonds.

In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2011 A Bonds as may be necessary in order to maintain the status of the Series 2011 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2011 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the BPH, as the case may be, from which the proceeds of the Series 2011 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2011 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2011 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2011 A Bonds;

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2011 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the

Series 2011 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond;

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2011 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond

Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2011 A Bonds, the principal of and interest, if any, due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of 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 2011 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2011 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2011 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2011 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners

of the Series 2011 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2011 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2011 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2011 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2011 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2011 A Bonds.

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

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

ISSUER:
The City of Parkersburg
P.O. Box 1627
Parkersburg, West Virginia 26102
Attention: Mayor

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

BPH:
West Virginia Bureau for Public Health
One Davis Square, Suite 200
Charleston, West Virginia 25301
Attention: Environmental Engineering

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. 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, this Section shall not be applicable to the Prior Ordinance. In the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive) so long as the Prior Bonds are outstanding.

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

Section 11.08. 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*, a newspaper 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 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.

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Section 11.09 Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading:	January 25, 2011
Passed on Second Reading:	February 8, 2011
Passed on Final Reading Following Public Hearing:	February 22, 2011

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF PARKERSBURG on the 22nd day of February, 2011.

Dated: March 16, 2011.

[SEAL]

Connie Shafer
Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document 3

THE CITY OF PARKERSBURG

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA DWTRF PROGRAM) OF THE CITY OF PARKERSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Parkersburg (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective February 22, 2011 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF PARKERSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF PARKERSBURG OF NOT MORE THAN $5,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program) in an aggregate principal amount not to exceed $5,800,000 (the "Series 2011 A Bonds"), and has authorized the execution and delivery of the Loan Agreement relating to the Series 2011 A Bonds, 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 Bureau for Public Health for the Series 2011 A Bonds (the "Loan Agreement"), all in accordance with Chapter 8, Article 20 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Series 2011 A Bonds should be established by a supplemental resolution pertaining to the Series 2011 A Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer;

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF 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 Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $5,800,000. The Series 2011 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2032, and shall bear interest at the rate of 2% per annum. The principal and interest of the Series 2011 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013 to and including December 1, 2032, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2011 A Bonds. The Series 2011 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the 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 2011 A Bonds. The Administrative Fee of 1% (as defined in the

hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2013 as set forth on Exhibit B attached hereto.

Section 2. All other provisions relating to the Series 2011 A Bonds and the text of each series of the Series 2011 A Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby accepts and agrees to all covenants and representations made in the Loan Agreement and in the applications to the Authority and the BPH. The price of the Series 2011 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2011 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

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

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

Section 7. Series 2011 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2011 A Bonds Reserve Account.

Section 8. The balance of the proceeds of the Series 2011 A Bonds shall be deposited in or credited to the Series 2011 A Bonds Construction Trust Fund as received from the BPH from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2011 A Bonds and related costs.

Section 9. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about, March 16, 2011, to the Authority pursuant to the Loan Agreement.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2011 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond 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 Series 2011 A Sinking Fund shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Parkersburg Utility Board is authorized to approve all invoices and pay requests for the project.

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

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Adopted this 8th day of March, 2011.

By: _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Parkersburg on the 8th of March, 2011.

Dated: March 16, 2011.

[SEAL]

Connie Shafer
Clerk

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CH5395084

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF PARKERSBURG
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $5,800,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 16th day of March, 2011, 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 FIVE MILLION EIGHT HUNDRED THOUSAND DOLLARS ($5,800,000), 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, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, to and including December 1, 2032 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, to and including December 1, 2032, at an interest rate of 2% per annum as set forth on said EXHIBIT B. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2013, as set forth on Exhibit B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated March 16, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the waterworks portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 16, Article 13C of the

West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on February 22, 2011, and a Supplemental Resolution duly adopted by the Issuer on March 8, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 (THE "SERIES 2003 A BONDS"); (II) 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 (THE "SERIES 2003 B BONDS"); (III) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $926,000 (THE "SERIES 2003 D BONDS"); (IV) THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 E (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 4, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,326,705 (THE "SERIES 2003 E BONDS"); (V) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A, DATED AUGUST 1, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $34,950,000 (THE "SERIES 2005 A BONDS"); (VI) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 C, DATED JUNE 15, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $17,425,000 (THE "SERIES 2006 C BONDS"); (VII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2006 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $9,000,000 (THE "SERIES 2006 D BONDS"); AND (VIII) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 E (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 14, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,372,600 (THE "SERIES 2006 E BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 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, either individually or combined, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

[SEAL]

Mayor

ATTEST:

Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 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 16, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $145,000	03/16/2011	(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

SCHEDULE Y
DEBT SERVICE SCHEDULE

DEBT SERVICE, ADMINISTRATIVE FEE AND RESERVE FUND PAYMENTS

City of Parkersburg

DWTRF

$5,800,000

2% Interest Rate

1% Administrative Fee

20 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Total Payments*	Annual Net D/S
3/1/13	59,143	29,000.00	88,143.00	7,821.41	8,814.30	104,778.71	
6/1/13	59,439	28,704.29	88,143.29	7,821.41	8,814.30	104,779.00	
9/1/13	59,736	28,407.09	88,143.09	7,821.41	8,814.30	104,778.80	
12/1/13	60,034	28,108.41	88,142.41	7,821.41	8,814.30	104,778.12	419,114.63
3/1/14	60,335	27,808.24	88,143.24	7,821.41	8,814.30	104,778.95	
6/1/14	60,636	27,506.57	88,142.57	7,821.41	8,814.30	104,778.28	
9/1/14	60,939	27,203.39	88,142.39	7,821.41	8,814.30	104,778.10	
12/1/14	61,244	26,898.69	88,142.69	7,821.41	8,814.30	104,778.40	419,113.73
3/1/15	61,550	26,592.47	88,142.47	7,821.41	8,814.30	104,778.18	
6/1/15	61,858	26,284.72	88,142.72	7,821.41	8,814.30	104,778.43	
9/1/15	62,167	25,975.43	88,142.43	7,821.41	8,814.30	104,778.14	
12/1/15	62,478	25,664.60	88,142.60	7,821.41	8,814.30	104,778.31	419,113.06
3/1/16	62,791	25,352.21	88,143.21	7,821.41	8,814.30	104,778.92	
6/1/16	63,105	25,038.25	88,143.25	7,821.41	8,814.30	104,778.96	
9/1/16	63,420	24,722.73	88,142.73	7,821.41	8,814.30	104,778.44	
12/1/16	63,737	24,405.63	88,142.63	7,821.41	8,814.30	104,778.34	419,114.66
3/1/17	64,056	24,086.94	88,142.94	7,821.41	8,814.30	104,778.65	
6/1/17	64,376	23,766.66	88,142.66	7,821.41	8,814.30	104,778.37	
9/1/17	64,698	23,444.78	88,142.78	7,821.41	8,814.30	104,778.49	
12/1/17	65,022	23,121.29	88,143.29	7,821.41	8,814.30	104,779.00	419,114.51
3/1/18	65,347	22,796.18	88,143.18	7,821.41	8,814.30	104,778.89	
6/1/18	65,673	22,469.45	88,142.45	7,821.41	8,814.30	104,778.16	
9/1/18	66,002	22,141.08	88,143.08	7,821.41	8,814.30	104,778.79	
12/1/18	66,332	21,811.07	88,143.07	7,821.41	8,814.30	104,778.78	419,114.62
3/1/19	66,663	21,479.41	88,142.41	7,821.41	8,814.30	104,778.12	
6/1/19	66,997	21,146.10	88,143.10	7,821.41	8,814.29	104,778.80	
9/1/19	67,332	20,811.11	88,143.11	7,821.41	8,814.29	104,778.81	
12/1/19	67,668	20,474.45	88,142.45	7,821.41	8,814.29	104,778.15	419,113.88
3/1/20	68,007	20,136.11	88,143.11	7,821.41	8,814.29	104,778.81	
6/1/20	68,347	19,796.08	88,143.08	7,821.41	8,814.29	104,778.78	
9/1/20	68,688	19,454.34	88,142.34	7,821.41	8,814.29	104,778.04	
12/1/20	69,032	19,110.90	88,142.90	7,821.41	8,814.29	104,778.60	419,114.23
3/1/21	69,377	18,765.74	88,142.74	7,821.41	8,814.29	104,778.44	
6/1/21	69,724	18,418.86	88,142.86	7,821.41	8,814.29	104,778.56	
9/1/21	70,073	18,070.24	88,143.24	7,821.41	8,814.29	104,778.94	
12/1/21	70,423	17,719.87	88,142.87	7,821.41	8,814.29	104,778.57	419,114.51
3/1/22	70,775	17,367.76	88,142.76	7,821.41	8,814.29	104,778.46	
6/1/22	71,129	17,013.88	88,142.88	7,821.41	8,814.29	104,778.58	
9/1/22	71,485	16,658.24	88,143.24	7,821.40	8,814.29	104,778.93	
12/1/22	71,842	16,300.81	88,142.81	7,821.40	8,814.29	104,778.50	419,114.47
3/1/23	72,201	15,941.60	88,142.60	7,821.40		95,964.00	
6/1/23	72,562	15,580.60	88,142.60	7,821.40		95,964.00	
9/1/23	72,925	15,217.79	88,142.79	7,821.40		95,964.19	
12/1/23	73,290	14,853.16	88,143.16	7,821.40		95,964.56	383,856.75
3/1/24	73,656	14,486.71	88,142.71	7,821.40		95,964.11	
6/1/24	74,024	14,118.43	88,142.43	7,821.40		95,963.83	

DEBT SERVICE, ADMINISTRATIVE FEE AND RESERVE FUND PAYMENTS

City of Parkersburg

DWTRF

$5,800,000

2% Interest Rate

1% Administrative Fee

20 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Total Payments*	Annual Net D/S
9/1/24	74,394	13,748.31	88,142.31	7,821.40		95,963.71	
12/1/24	74,766	13,376.34	88,142.34	7,821.40		95,963.74	383,855.39
3/1/25	75,140	13,002.51	88,142.51	7,821.40		95,963.91	
6/1/25	75,516	12,626.81	88,142.81	7,821.40		95,964.21	
9/1/25	75,894	12,249.23	88,143.23	7,821.40		95,964.63	
12/1/25	76,273	11,869.76	88,142.76	7,821.40		95,964.16	383,856.91
3/1/26	76,654	11,488.40	88,142.40	7,821.40		95,963.80	
6/1/26	77,036	11,105.13	88,143.13	7,821.40		95,964.53	
9/1/26	77,423	10,719.94	88,142.94	7,821.40		95,964.34	
12/1/26	77,810	10,332.82	88,142.82	7,821.40		95,964.22	383,856.89
3/1/27	78,199	9,943.77	88,142.77	7,821.40		95,964.17	
6/1/27	78,590	9,552.78	88,142.78	7,821.40		95,964.18	
9/1/27	78,983	9,159.83	88,142.83	7,821.40		95,964.23	
12/1/27	79,378	8,764.91	88,142.91	7,821.40		95,964.31	383,856.89
3/1/28	79,775	8,368.02	88,143.02	7,821.40		95,964.42	
6/1/28	80,174	7,969.15	88,143.15	7,821.40		95,964.55	
9/1/28	80,575	7,568.28	88,143.28	7,821.40		95,964.68	
12/1/28	80,977	7,165.40	88,142.40	7,821.40		95,963.80	383,857.45
3/1/29	81,382	6,760.52	88,142.52	7,821.40		95,963.92	
6/1/29	81,789	6,353.61	88,142.61	7,821.40		95,964.01	
9/1/29	82,198	5,944.66	88,142.66	7,821.40		95,964.06	
12/1/29	82,609	5,533.67	88,142.67	7,821.40		95,964.07	383,856.05
3/1/30	83,022	5,120.63	88,142.63	7,821.40		95,964.03	
6/1/30	83,437	4,705.52	88,142.52	7,821.40		95,963.92	
9/1/30	83,854	4,288.33	88,142.33	7,821.40		95,963.73	
12/1/30	84,274	3,869.06	88,143.06	7,821.40		95,964.46	383,856.14
3/1/31	84,695	3,447.69	88,142.69	7,821.40		95,964.09	
6/1/31	85,119	3,024.22	88,143.22	7,821.40		95,964.62	
9/1/31	85,544	2,598.62	88,142.62	7,821.40		95,964.02	
12/1/31	85,972	2,170.90	88,142.90	7,821.40		95,964.30	383,857.03
3/1/32	86,402	1,741.04	88,143.04	7,821.40		95,964.44	
6/1/32	86,834	1,309.03	88,143.03	7,821.40		95,964.43	
9/1/32	87,268	874.86	88,142.86	7,821.40		95,964.26	
12/1/32	87,704	438.52	88,142.52	7,821.40		95,963.92	383,857.05
	5,800,000	1,251,424.63	7,051,424.63	625,712.38	352,571.85	8,029,708.86	8,029,708.86

Notes:

12/1/2012 through 11/1/2022 Monthly Payment to MBC of $34,926.25*

12/1/2022 through 11/1/2032 Monthly Payment to MBC of $31,988.17*

*Calculated based on approximate annual payments of $419,115 and $383,858, respectively (rounded up monthly to the nearest dollar).

Admin Fee calculated quarterly based on outstanding bond value paid in equal quarterly payments.

Reserve Fund requirement based on maximum annual debt service funded-up over 10 quarterly payments.

(Form of)

ASSIGNMENT

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

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

_____

In the presence of:

_____