

**CITY OF CHARLES TOWN**

**Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)**

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**CITY OF CHARLES TOWN  
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,  
SERIES 2010 C; AND  
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,  
SERIES 2010 D  
(WEST VIRGINIA SRF PROGRAM)**

**BOND ORDINANCE**

Ordinance No. \_\_\_\_\_

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## CITY OF CHARLES TOWN

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2007 A NOTES AND THE SERIES 2010 A NOTES OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$1,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN \$750,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (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 BOND PURCHASE 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 CHARLES TOWN:

### 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 Charles Town (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State.

B. The Issuer presently owns and operates, through the City of Charles Town 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 designed certain improvements and extensions to the existing public sewerage treatment and collection portion of the facilities of the Issuer, specifically including, but not limited to, improvements to the Tuscowilla treatment plant, and all necessary appurtenant facilities (the design and other preconstruction activities collectively defined as the "Project").

C. The Issuer has heretofore temporarily financed a portion of the Project by the issuance of the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2007 A, dated April 11, 2007, issued in the original aggregate principal amount of \$1,070,000 (the "Series 2007 A Notes") and the Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2010 A, issued in the original aggregate principal amount of \$500,000 (the "Series 2010 A Notes").

D. It is deemed necessary and desirable for the Issuer to pay the Series 2007 A Notes and Series 2010 A Notes.

E. The Issuer intends to pay the Series 2007 A Notes and Series 2010 A Notes and permanently finance the costs associated with 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.

F. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Design Revenue Bonds, in the total aggregate principal amount of not more than \$2,000,000 in two or more series, initially planned to be (i) the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), (the "Series 2010 C Bonds"); and (ii) the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), (the "Series 2010 D Bonds") (collectively, the "Series 2010 Bonds"), to pay the Series 2007 A Notes, pay the Series 2010 A Notes, to permanently finance the Project, and to pay certain costs of issuance. 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 2010 Bonds prior to and during 6 months after completion of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2010 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 hereafter 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 2010 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; 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 2010 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

G. The period of usefulness of the System after completion of the Project is not less than 32 years.

H. It is in the best interests of the Issuer that its Series 2010 C 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"), and its Series 2010 D 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 DEP, all in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

I. Upon payment of the Series 2007 A Notes and Series 2010 A Notes, the Issuer will have the following outstanding obligations which will rank on a parity with the Series 2010 Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

- (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 (the "Series 1987 B Bonds");
- (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 (the "Series 1988 B-1 Bonds");
- (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 (the "Series 1988 B-2 Bonds");
- (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 (the "Series 1989 B Bonds");
- (5) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 (the "Series 1998 Design Bonds");
- (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 (the "Series 2000 A Bonds");
- (7) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (the "Series 2002 A Bonds");
- (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (the "Series 2002 B Bonds");

- (9) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (the "Series 2002 C Bonds");
- (10) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (the "Series 2003 A Bonds");
- (11) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (the "Series 2005 A Bonds");
- (12) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (the "Series 2006 A Bonds");
- (13) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2006 B Bonds");
- (14) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A, dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 (the "Series 2009 A Bonds");
- (15) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458 (the "Series 2010 A Bonds"); and
- (16) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 (the "Series 2010 B Bonds").

The Series 1987 B Bonds, the Series 1988 B-1 Bonds, the Series 1988 B-2 Bonds, the Series 1989 B Bonds, the Series 1998 Design Bonds, the Series 2000 A Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2003 A Bonds, the Series 2005 A Bonds, the Series 2006 A Bonds, the Series 2006 B Bonds, the series 2009 A Bonds, the Series 2010 A Bonds and the Series 2010 B Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2010 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 respects. Prior to the issuance of the Series 2010 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 certain of the Holders of the Prior Bonds to the issuance of the Series 2010 Bonds on a parity with the Prior Bonds.

Other than the Prior Bonds, 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 the covenants of the Prior Bonds and the Prior Ordinances.

J. 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, and the Series 2010 Bonds and to make payments into all funds and accounts and other payments provided for herein.

K. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement (hereinafter defined) relating to the Project and the System and issuance of the Series 2010 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.

L. 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 2010 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 2010 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 2010 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.

"Board" means the 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 Purchase Agreement" means collectively the Bond Purchase Agreements heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2010 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 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 2010 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", or "Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2010 Bonds for all or a portion of the proceeds of the Series 2010 Bonds from the Authority 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 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 1.02F hereof to be a part of the costs of the Project as described in Section 1.02B hereof.

"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 Council of the Issuer, as it may now or hereafter be 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 all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

"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 Charles Town, a municipal corporation and political subdivision of the State of West Virginia, in Jefferson County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the Issuer.

"Maximum Annual Debt Service" means at the time of computation, the greatest amount of debt service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Net Proceeds" means the face amount of the Series 2010 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2010 C Bonds Reserve Account or the Series 2010 D 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 2010 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 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 Series 1987 B Bonds, the Series 1988 B-1 Bonds, the Series 1988 B-2 Bonds, the Series 1989 B Bonds, the Series 1998 Design Bonds, the Series 2000 A Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2003 A Bonds, the Series 2005 A Bonds, the Series 2006 A Bonds, the Series 2006 B Bonds, the Series 2009 A Bonds, the Series 2010 A Bonds and the Series 2010 B Bonds.

"Prior Ordinances" means the ordinance of the Issuer authorizing the issuance of the Prior Bonds.

"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 Board of Treasury Investments pursuant to Chapter 12, Article 6C 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.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Ordinances and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2010 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 1987 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629.

"Series 1988 B-1 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916.

“Series 1988 B-2 Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000.

“Series 1989 B Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480.

“Series 1998 Design Bonds” means the Issuer’s Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601.

“Series 2000 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781.

“Series 2002 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000.

“Series 2002 B Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000.

“Series 2002 C Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000.

“Series 2003 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000.

“Series 2005 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000.

“Series 2006 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000.

“Series 2006 B Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000.

"Series 2007 A Notes" mean's the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2007 A, dated April 11, 2007, issued in the original aggregate principal amount of \$1,070,000.

"Series 2007 A Notes Ordinance" means the ordinance of the Issuer authorizing the Series 2007 A Notes.

"Series 2009 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A, dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000.

"Series 2010 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458.

"Series 2010 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000.

"Series 2010 A Notes" mean's the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2010 A, issued to the Bank of Charles Town in the original aggregate principal amount of \$500,000.

"Series 2010 A Notes Ordinance" means the ordinance of the Issuer authorizing the Series 2010 A Notes.

"Series 2010 C Bonds" means the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2010 C Bonds Reserve Account" means the Series 2010 C Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 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 2010 C Bonds in the then current or any succeeding year.

"Series 2010 C Bonds Sinking Fund" means the Series 2010 C Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2010 D Bonds" means the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2010 D Bonds Reserve Account" means the Series 2010 D Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 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 2010 D Bonds in the then current or any succeeding year.

"Series 2010 D Bonds Sinking Fund" means the Series 2010 D Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2010 Bonds" means, collectively, the Series 2010 C Bonds and the Series 2010 D Bonds.

"Series 2010 Bonds Project Trust Fund" means the Series 2010 Bonds Project Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2010 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement for the Series 2010 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 2010 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 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 Renewal and Replacement Fund.

"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.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption.

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 PROJECT AND PAYMENT OF THE SERIES 2007 A NOTES AND SERIES 2010 A NOTES**

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the Project, at an estimated cost not to exceed \$2,000,000. The proceeds of the Series 2010 C Bonds and the Series 2010 D Bonds hereby authorized shall be applied as provided in Article VI hereof.

The cost of the Project is estimated not to exceed \$2,000,000, of which approximately \$1,250,000 will be obtained from proceeds of the Series 2010 C Bonds and approximately \$750,000 will be obtained from the proceeds of the Series 2010 D Bonds.

Section 2.02. Authorization of Payment of the Series 2007 A Notes. The Series 2007 A Notes outstanding as of the date of issuance of the Series 2010 Bonds are hereby ordered to be paid in full, and the pledge of assets, if any, in favor of the Holders of the Series 2007 A Notes, and the monies in the funds and accounts created by the Series 2007 A Notes pledged to payment of the Series 2007 A Notes, if any, and any other funds pledged to pay of the Series 2007 A Notes, if any, are hereby ordered terminated, discharged and released upon the payment to the Holder of the Series 2007 A Notes from the proceeds of the Series 2010 C Bonds and from other monies available therefor, of the following: an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Series 2007 A Notes and an amount which will provide for the payment of the entire outstanding principal of and all accrued interest on the Series 2007 A Notes, plus the premium, if any, on the Closing Date.

Section 2.03. Authorization of Payment of the Series 2010 A Notes. The Series 2010 A Notes outstanding as of the date of issuance of the Series 2010 Bonds are hereby ordered to be paid in full, and the pledge of assets, if any, in favor of the Holders of the Series 2010 A Notes, and the monies in the funds and accounts created by the Series 2010 A Notes pledged to payment of the Series 2010 A Notes, if any, and any other funds pledged to pay the Series 2010 A Notes, if any, are hereby ordered terminated, discharged and released upon the payment to the Holder of the Series 2010 A Notes from the proceeds of the Series 2010 D Bonds and from other monies available therefor, of the following: an

amount equal to the fiscal and paying agent charges to become due and payable in connection with the Series 2010 A Notes and an amount which will provide for the payment of the entire outstanding principal of and all accrued interest on the Series 2010 A Notes, plus the premium, if any, on the Closing Date.

### 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 a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2010 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 2010 Bonds of the Issuer. The Series 2010 Bonds shall be issued in two series, each as a single bond, designated respectively as "Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program)", in the principal amount of not more than \$1,250,000, and "Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program)," in the principal amount of not more than \$750,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 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 2010 Bonds Project Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2010 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 Bond Purchase Agreement. The Series 2010 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 2010 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 2010 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 2010 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 2010 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 2010 Bonds shall cease to be such officer of the Issuer before the Series 2010 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 2010 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 2010 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 2010 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 2010 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 2010 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 2010 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 2010 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 2010 Bonds are exercised, all Series 2010 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2010 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 2010 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 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 2010 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 2010 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 Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2010 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net 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 2010 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 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 2010 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 2010 Bonds to the original purchasers;

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

D. An executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2010 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2010 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:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2010 C BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF CHARLES TOWN  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
DESIGN REVENUE BONDS, SERIES 2010 C  
(WEST VIRGINIA SRF PROGRAM)

No. CR-1

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on the \_\_\_ day of \_\_\_\_\_, 2010, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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\_\_\_, 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 \_\_\_% (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").

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 (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated \_\_\_\_\_, 2010.

This Bond is issued (i) to pay the Series 2007 A Notes; (ii) to pay a portion of the costs of the Project; and (iii) to pay certain costs of issuance of the Bonds of this Series (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 \_\_\_\_\_, 2010, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2010 (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, TO THE ISSUER'S 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 REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
- (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
- (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
- (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
- (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 DESIGN BONDS");
- (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");
- (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");

- (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");
- (9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
- (10) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
- (11) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
- (12) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
- (13) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
- (14) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A, ISSUED DECEMBER 1, 2009 IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
- (15) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED SIMULTANEOUSLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");
- (16) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS"); AND
- (17) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED \_\_\_\_\_, 2010, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$\_\_\_\_\_ (THE "SERIES 2010 D BONDS").

THE SERIES 1987 B BONDS, THE SERIES 1988 B-1 BONDS, THE SERIES 1988 B-2 BONDS, THE SERIES 1989 B BONDS, THE SERIES 1998 DESIGN BONDS, THE SERIES 2000 A BONDS, THE SERIES 2002 A BONDS, THE SERIES 2002 B BONDS, THE SERIES 2002 C BONDS, THE SERIES 2003 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2006 A BONDS, THE SERIES 2006 B BONDS, THE SERIES 2009 A BONDS, THE SERIES 2010 A BONDS AND THE SERIES 2010 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and the Series 2010 D Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 C Bonds (the "Series 2010 C Bonds Reserve Account"), and unexpended proceeds of the Series 2010 C Bonds. Such Net 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, except from said special fund provided from the Net Revenues, the monies in the Series 2010 C Bonds Reserve Account and unexpended proceeds of the Series 2010 C 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 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 C Bonds including the Series 2010 D Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2010 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 C 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 or junior and subordinate to the Bonds, including the Series 2010 D Bonds and 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 Net 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 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 CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, 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 2010 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: \_\_\_\_\_, 2010.

THE HUNTINGTON NATIONAL BANK  
as Registrar

\_\_\_\_\_  
Authorized Officer

EXHIBIT A  
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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:

\_\_\_\_\_

(FORM OF SERIES 2010 D BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF CHARLES TOWN  
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,  
SERIES 2010 D  
(WEST VIRGINIA SRF PROGRAM)

No. DR-1

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on the \_\_\_ day of \_\_\_\_\_, 2010, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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\_\_\_, 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 \_\_\_ % (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").

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 (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated \_\_\_\_\_, 2010.

This Bond is issued (i) to pay the Series 2010 A Notes; (ii) to pay a portion of the costs of the Project; and (iii) 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 \_\_\_\_\_, 2010, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2010 (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, TO THE ISSUER'S 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 REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
- (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
- (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
- (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
- (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 DESIGN BONDS");
- (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");
- (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");
- (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002,

ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");

- (9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
- (10) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
- (11) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
- (12) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
- (13) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
- (14) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A, ISSUED DECEMBER 1, 2009 IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
- (15) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED SIMULTANEOUSLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");
- (16) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS"); AND
- (17) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED \_\_\_\_\_, 2010, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ \_\_\_\_\_ (THE "SERIES 2010 C BONDS").

THE SERIES 1987 B BONDS, THE SERIES 1988 B-1 BONDS, THE SERIES 1988 B-2 BONDS, THE SERIES 1989 B BONDS, THE SERIES 1998 DESIGN BONDS, THE SERIES 2000 A BONDS, THE SERIES 2002 A BONDS, THE SERIES 2002 B BONDS, THE SERIES 2002 C BONDS,

THE SERIES 2003 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2006 A BONDS, THE SERIES 2006 B BONDS, THE SERIES 2009 A BONDS, THE SERIES 2010 A BONDS AND THE SERIES 2010 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and the Series 2010 C Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 D Bonds (the "Series 2010 D Bonds Reserve Account"), and unexpended proceeds of the Series 2010 D Bonds. Such Net 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, except from said special fund provided from the Net Revenues, the monies in the Series 2010 D Bonds Reserve Account and unexpended proceeds of the Series 2010 D 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 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 D Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 D Bonds including the Series 2010 C Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2010 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 D 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 or junior and subordinate to the Bonds, including the Series 2010 C Bonds and 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 Net 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 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 CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, 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 2010 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: \_\_\_\_\_, 2010.

THE HUNTINGTON NATIONAL BANK  
as Registrar

\_\_\_\_\_  
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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 Bond Purchase Agreement. The Series 2010 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Bond Purchase Agreement 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 Bond Purchase Agreement, 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 2010 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) Renewal and Replacement Fund (established by the Prior Ordinances);
- (3) Rebate Fund (established by Prior Ordinances); and
- (4) Series 2010 Bonds Project Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by Prior

Ordinances) 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 1987 B Bonds Sinking Fund (established by Prior Ordinances);
- (2) Series 1987 B Bonds Reserve Account (established by Prior Ordinances);
- (3) Series 1988 B-1 Bonds Sinking Fund (established by Prior Ordinances);
- (4) Series 1988 B-1 Bonds Reserve Account (established by Prior Ordinances);
- (5) Series 1988 B-2 Bonds Sinking Fund (established by Prior Ordinances);
- (6) Series 1988 B-2 Bonds Reserve Account (established by Prior Ordinances);
- (7) Series 1989 B Bonds Sinking Fund (established by Prior Ordinances);
- (8) Series 1989 B Bonds Reserve Account (established by Prior Ordinances);
- (9) Series 1998 Design Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 1998 Design Bonds Reserve Account (established by Prior Ordinances);
- (11) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);
- (13) Series 2002 A Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2002 A Bonds Reserve Account (established by Prior Ordinances);
- (15) Series 2002 B Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2002 B Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2002 C Bonds Sinking Fund (established by Prior Ordinances);
- (18) Series 2002 C Bonds Reserve Account (established by Prior Ordinances);
- (19) Series 2003 A Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2003 A Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2005 A Bonds Sinking Fund (established by Prior Ordinances);

- (22) Series 2005 A Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2006 A Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2006 B Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2006 B Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2009 A Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2009 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);
- (30) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);
- (31) Series 2010 B Bonds Reserve Account (established by Prior Ordinances);
- (32) Series 2010 B Bonds Sinking Fund (established by Prior Ordinances);
- (33) Series 2010 C Bonds Sinking Fund;
- (34) Series 2010 C Bonds Reserve Account;
- (35) Series 2010 D Bonds Sinking Fund; and
- (36) Series 2010 D 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, each month, pay from the Revenue Fund the current Operating Expenses of the System.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by Prior Ordinances to pay interest on Series 1998 Design Bonds, Series 2000 A Bonds, Series 2002 A Bonds, Series 2002 B

Bonds, Series 2002 C Bonds, Series 2003 A Bonds, Series 2005 Bonds, Series 2006 Bonds; Series 2009 A Bonds, Series 2010 A Bonds and Series 2010 B Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for payment of principal of the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 C Bonds, for deposit in the Series 2010 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 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 2010 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment 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 4 months prior to the first date of payment of principal of the Series 2010 D Bonds, for deposit in the Series 2010 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2010 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 2010 D Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment 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.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinances for deposit in the respective Reserve Accounts for the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 C Bonds, if not fully funded upon issuance of the Series 2010 C Bonds, for deposit in the Series 2010 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 C Bonds Reserve Requirement; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2010 D Bonds, if not fully funded upon issuance of the Series 2010 D Bonds, for deposit in the Series 2010 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 D Bonds Reserve Requirement; provided that, no further

payments shall be made into the Series 2010 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 2010 D Bonds Reserve Requirement.

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

Monies in the Series 2010 C Bonds Sinking Fund and Series 2010 D Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2010 Bonds, respectively, as the same shall become due. Monies in the Series 2010 C Bonds Reserve Account and the Series 2010 D Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2010 Bonds, respectively, as the same shall come due, when other monies in the Series 2010 C Bonds Sinking Fund and the Series 2010 D Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 C Bonds Sinking Fund, the Series 2010 C Bonds Reserve Account, the Series 2010 D Bonds Sinking Fund and the Series 2010 D Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during the Project, be deposited in the Series 2010 Bonds Project 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 2010 Bonds, if any, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2010 C Bonds Reserve Account or the Series 2010 D 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 Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2010 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 2010 C Bonds Sinking Fund, the Series 2010 C Bonds Reserve Account, the Series 2010 D Bonds Sinking Fund or the Series 2010 D Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2010 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, 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 2010 C Bonds, and the Series 2010 D 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 2010 C Bonds Sinking Fund, the Series 2010 C Bonds Reserve Account, the Series 2010 D Bonds Sinking Fund and the Series 2010 D 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 2010 C Bonds Sinking Fund, the Series 2010 C Bonds Reserve Account, the Series 2010 D Bonds Sinking Fund and the Series 2010 D Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 C Bonds Sinking Fund, the Series 2010 C Bonds Reserve Account, the Series 2010 D Bonds Sinking Fund and the Series 2010 D Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 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 2010 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 Bond Purchase Agreement for the Series 2010 Bonds.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Bond Purchase 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 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 Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2010 Bonds and the Prior Bonds all in accordance with the respective principal amounts outstanding before being applied to any other payments hereunder.

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

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

J. All Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose 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 2010 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 C Bonds, there shall first be deposited with the Commission in the Series 2010 C Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2010 C Bonds, there shall be deposited with the Commission in the Series 2010 C Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 C Bonds Reserve Account.

C. Next, from the proceeds of the Series 2010 C Bonds, there shall be deposited with the Holder of the Series 2007 A Notes, the amount set forth in the Supplemental Resolution sufficient to pay in full the outstanding principal of, interest on, for the Series 2007 A Notes on the Closing Date.

D. As the Issuer receives advances of the monies derived from the sale of the Series 2010 C Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Project 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 2010 C Bonds.

E. From the proceeds of the Series 2010 D Bonds, there shall first be deposited with the Commission in the Series 2010 D Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

F. Next, from the proceeds of the Series 2010 D Bonds, there shall be deposited with the Commission in the Series 2010 D Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 D Bonds Reserve Account.

G. Next, from the proceeds of the Series 2010 D Bonds, there shall be deposited with the Holder of the Series 2010 A Notes, the amount set

forth in the Supplemental Resolution sufficient to pay in full the outstanding principal of, interest on, for the Series 2010 A Notes on the Closing Date

H. As the Issuer receives advances of the monies derived from the sale of the Series 2010 D Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Project 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 2010 D Bonds.

I. After completion of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 C Bonds and Series 2010 D Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements 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 proceeds of the Series 2010 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 Series 2010 Bonds Project Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 Bonds Project Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, in compliance with the project schedule; and

Pending such application, monies in the Series 2010 Bonds Project 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 2010 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 2010 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 2010 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 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 2010 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2010 Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net 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 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 Bond Purchase 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 April 15, 2008 and the sewer rate ordinance of the Issuer enacted August 7, 2006 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 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 Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2010 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Bond Purchase 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 and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Bond Purchase 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 Ordinances and with the written consent of the Authority.

So long as the Series 2010 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 2010 C Bonds Sinking Fund

and the Series 2010 D 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, if any, on the Series 2010 C Bonds and the Series 2010 D 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 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 \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement 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 \$10,000 but not in excess of \$50,000, the Issuer shall first, determine, upon consultation with a professional engineer, 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 of any such sale 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 such account 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 \$50,000 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 the Section 7.06 and 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 2010 Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 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 2010 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 2010 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 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 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 2010 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 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 Prior Bonds, and the Series 2010 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 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 additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances 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 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 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 Issuer 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 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 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 the Project.

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 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 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 Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2010 Bonds and shall mail in each year to any Holder or Holders of the Series 2010 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 2010 Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2010 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 and the Bond Purchase 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 Bond Purchase 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 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 Bond Purchase Agreement for the Series 2010 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 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 2010 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 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirement are on deposit respectively in the Series 2009 C Bonds Reserve Account and Series 2009 D Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2010 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 2010 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 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 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 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. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer 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, 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 the Project and for 2 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 Bond Purchase 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 Bond Purchase Agreement, stating, among other things, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of the Project, and all permits required by federal and state laws for 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 the Project.

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, and any services and facilities of the water 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 either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 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 2010 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 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

proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer 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 Bond Purchase Agreement, during construction 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 contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer 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 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer shall require all contractors engaged in the construction 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 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. In the event the Bond Purchase Agreement so requires, such insurance shall be made payable to the order of the Authority, the DEP, the Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

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 and Operation 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 Project, all orders and approvals, if necessary, from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the Project and the operation of the System and all approvals of issuance of the Series 2010 Bonds required by State law, with all requisite

appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with the Bond Purchase Agreement and the Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase 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 Project and the operation, maintenance and use of the System.

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 2010 Bonds or immediately thereafter, enter into written contracts for 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 2010 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 2010 Bonds made available due to bid or project underruns.

C. The Issuer shall list the funding 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 2010 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 2010 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 or 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 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 2010 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 2010 Bonds from gross income for federal income tax purposes.

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 2010 Bonds as a condition to issuance of the Series 2010 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 2010 Bonds as may be necessary in order to maintain the status of the Series 2010 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 2010 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 2010 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 2010 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 2010 Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2010 Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2010 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2010 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; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner 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 2010 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 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 Series 2010 C Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2010 C Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net 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 2010 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, if any, on the Series 2010 C Bonds from gross income for federal income tax purposes.

Section 10.02. Payment of Series 2010 D Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2010 D Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net 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 2010 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, if any, on the Series 2010 D 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 2010 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 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 2010 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2010 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2010 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 2010 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, if any, on the Series 2010 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 2010 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 were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

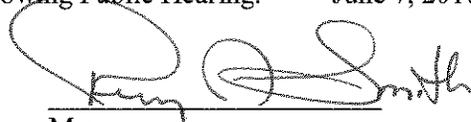
Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *Spirit of Jefferson Advocate* a newspaper of general circulation in The City of Charles Town, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 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 public hearing hereon.

Passed on First Reading: April 19, 2010

Passed on Second Reading: May 3, 2010

Passed on Final Reading  
Following Public Hearing: June 7, 2010

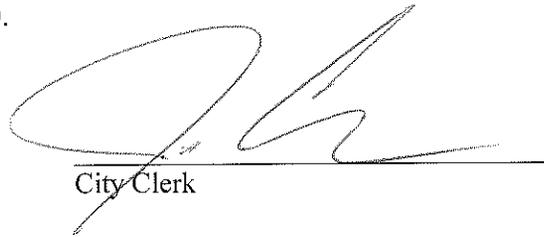
  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the CITY OF CHARLES TOWN on the 7th day of June, 2010.

Dated: December 2, 2010.

[SEAL]



City Clerk

144220.00026

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF CHARLES TOWN; APPROVING AND RATIFYING THE ARRA ASSISTANCE 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 town council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective June 7, 2010 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2007 A NOTES AND THE SERIES 2010 A NOTES OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$1,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN \$750,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (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 BOND PURCHASE 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 Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer (the "Series 2010 C Bonds"), in the aggregate principal amount not to exceed \$1,250,000, and the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), of the Issuer (the "Series 2010 D Bonds") (collectively, the "Series 2010 Bonds"), in the aggregate principal amount not to exceed \$750,000 and has authorized the execution and delivery of a bond purchase agreement relating to the Series 2010 Bonds, including all schedules and exhibits attached thereto (collectively, the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), 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 Bond Purchase Agreement and the exact principal amount, date, maturity date, redemption provisions, interest rate, interest and principal payment dates, sale price and other terms of the Series 2010 Bonds should be established by a supplemental resolution pertaining to the Series 2010 Bonds; and that other matters relating to the Series 2010 Bonds be herein provided for;

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

WHEREAS, the Series 2010 C Bonds and the Series 2010 D Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase 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 prices of the Series 2010 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2010 Bonds be herein provided for;

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

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. Sewer Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered CR-1, in the original aggregate principal amount of \$1,250,000. The Series 2010 C Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2041, and shall bear no interest. The principal of the Series 2010 C Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including June 1, 2041, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2010 C Bonds and incorporated in and made a part of the Series 2010 C Bonds. The Series 2010 C 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 Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2010 C Bonds. The Issuer does

hereby approve and shall pay the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2010 C Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

B. Sewer Revenue Bonds, Series 2010 D (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered DR-1, in the original aggregate principal amount of \$500,000. The Series 2010 D Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2041, and shall bear no interest. The principal of the Series 2010 D Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including June 1, 2041, and in the amounts as set forth in Bond Purchase Agreement. The Series 2010 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 Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2010 D Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2010 D Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 2. Section 2.01 of the Bond Ordinance is hereby revised and restated in its entirety as follows:

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the Project, at an estimated cost not to exceed \$1,786,000. The proceeds of the Series 2010 C Bonds and the Series 2010 D Bonds hereby authorized shall be applied as provided in Article VI hereof.

The cost of the Project is estimated not to exceed \$1,786,000, of which approximately \$1,250,000 will be obtained from proceeds of the Series 2010 C Bonds, approximately \$500,000 will be obtained from the proceeds of the Series 2010 D Bonds and approximately \$36,000 as a contribution from the Issuer.

Section 3. All other provisions relating to the Series 2010 Bonds and the text of each series of the Series 2010 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 4. The Issuer does hereby authorize, approve, ratify and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase 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 affirms all covenants and representations made in the Bond Purchase Agreement and in the applications to the DEP and the Authority. The price of the Series 2010 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2010 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2010 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2010 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 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2010 Bonds under the Bond Ordinance.

Section 7. The Issuer does hereby appoint and designate Bank of Charles Town, Charles Town, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2010 C Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2010 C Bonds Reserve Account.

Section 9. On April 1, 2011 Series 2010 C Bonds Proceeds in the amount of \$1,070,000 shall be deposited with the Commission to pay the outstanding principal balance of the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2007 A, dated April 11, 2007, issued in the original aggregate principal amount of \$1,070,000 (the "Series 2007 A Notes"). The Issuer shall pay all accrued interest on the Series 2007 A Notes on same date.

Section 10. Series 2010 D Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2010 D Bonds Reserve Account.

Section 11. Series 2010 D Bonds Proceeds in the amount of \$500,000 and Issuer contribution in the amount of \$993.05 shall be deposited with the Bank of Charles Town to pay the outstanding principal balance of and all accrued interest on the Issuer's Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2010 A, dated March 10, 2010, issued in the original aggregate principal amount of \$500,000 (the "Series 2010 A Notes").

Section 12. The balance of the proceeds of the Series 2010 C Bonds shall be deposited in or credited to the Series 2010 Bonds Project Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2010 Bonds and related costs.

Section 13. 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 Series 2010 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2010 Bonds may be delivered on or about December 2, 2010, to the Authority pursuant to the Bond Purchase Agreement.

Section 14. The payment of the Series 2007 A Notes, the payment of the Series 2010 A Notes and the completion of the Project and the financing thereof in part with proceeds of the Series 2010 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 completion of the Project.

Section 16. The Issuer hereby approves and accepts the Contract between the Issuer and Consulting Engineers for the preconstruction engineering services for the Project. The Mayor is hereby authorized and directed to execute and deliver all such contracts.

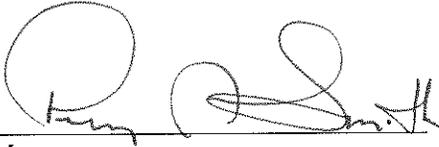
Section 17. The Issuer hereby approves and accepts Steptoe & Johnson PLLC, Charleston, West Virginia, as bond counsel for the Project.

Section 18. The Issuer hereby authorizes the Utility Board to requisition proceeds of the Bonds, provided however, that the Council shall be notified of such requisitions.

Section 19. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 15th day of November, 2010.



Paul Smith

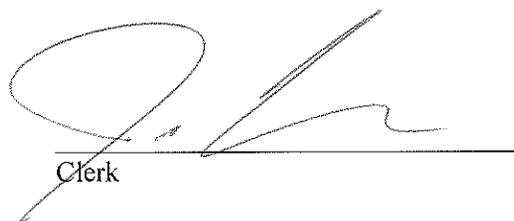
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Charles Town on the 15th day of November, 2010.

Dated: December 2, 2010.

[SEAL]



Clerk

144220.00026

SRF-BPA-1  
(11/01/04)

BOND PURCHASE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND BOND PURCHASE AGREEMENT (the "Bond Purchase 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 CHARLES TOWN (2008S-1069/C-544392)  
(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 acquire bonds of 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 utilize moneys from the Fund to purchase the bonds of local governments to provide the financing 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 Purchase of Bonds with attachments and exhibits and an Amended Application for Purchase of Bonds also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

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; and

WHEREAS, the Local Government meets the “disadvantaged community” provisions of the SRF Regulations.

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

1.4 “Local Bonds” means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Bond Purchase Agreement.

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

1.6 “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.

1.7 “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.

1.8 “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.

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

1.10 "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.

1.11 Additional terms and phrases are defined in this Bond Purchase 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 Bond Purchase 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 Local Bonds proceeds 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 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 Operation and Maintenance Manual, 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 qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

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 10th of each month to the DEP and the Authority.

2.13 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 Purchase of Local Bonds; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to purchase the Local Bonds 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 Local Bonds will be expended and the procedures as to the disbursement of bond 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 Bond Purchase 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 proceeds of the Local Bonds 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 Bond Purchase 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 purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase 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 Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase 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 Closing." Notwithstanding the foregoing, the Date of Closing shall in no event occur more than ninety (90) days after the date of execution of this Bond Purchase Agreement by the Authority or such later date as is agreed to in writing by DEP.

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 financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of 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 bonds will be purchased 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 Local Bonds;  
Repayment of Local Bonds; Interest on Local Bonds;  
Fees and Charges

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to purchase the Local Bonds, 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 SRF 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 Local Bonds 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 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 purchase the Local Bonds 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 purchase the Local Bonds.

## 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 Bond Purchase Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to purchase the Local Bonds, 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 Bond Purchase 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 Bond Purchase Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds 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 Bond Purchase 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 Bond Purchase Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Bond Purchase 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 purchasing and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Bond Purchase Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the issuance of the Local Bonds 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 Bond Purchase Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of 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 Local Bonds.

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 Bond Purchase Agreement by the Authority as soon as practicable after the Date of 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 Bond Purchase 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 Bond Purchase Agreement, and this Bond Purchase Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Bond Purchase 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 Bond Purchase Agreement.

7.4 No waiver by any party of any term or condition of this Bond Purchase 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 Bond Purchase Agreement.

7.5 This Bond Purchase Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Local Bonds and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Bond Purchase 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 Bond Purchase 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;

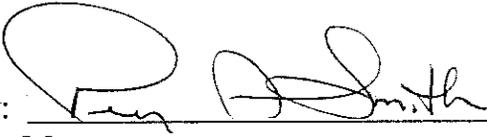
(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

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

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

CITY OF CHARLES TOWN

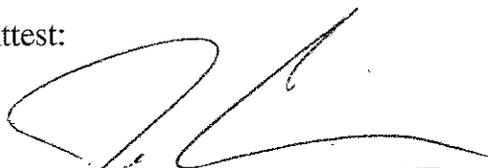
(SEAL)

By: 

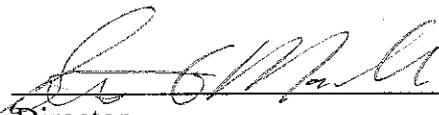
Its: Mayor

Date: October 28, 2010

Attest:

  
Its: Recorder

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

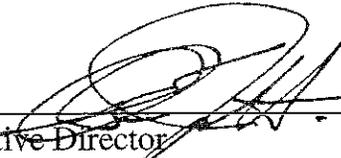
By: 

Its: Director

Date: ~~October 28, 2010~~  
NOVEMBER 11, 2010

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: 

Its: Executive Director

Date: October 28, 2010

Attest:

  
Its: Authorized Officer

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 \_\_\_\_\_

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
<u>Type of Issue</u>				
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 10<sup>th</sup> 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 Bond Purchase 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 attached hereto as Exhibit A, and my firm<sup>1</sup> 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<sup>2</sup>, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase 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]

\_\_\_\_\_  
<sup>1</sup>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".

<sup>2</sup>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.

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)

{C1891769.1}

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection  
601 57<sup>th</sup> 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 bond purchase agreement dated \_\_\_\_, \_\_\_\_, including all schedules and exhibits attached thereto (the "Bond Purchase 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 Bond Purchase Agreement. The Local Bonds are issued in the principal amount of \$\_\_\_\_\_, in the form of one bond, registered as to principal only to the Authority, with principal 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 Bond Purchase 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 Bond Purchase 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 Bond Purchase 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 Bond Purchase 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 Bond Purchase 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 Bond Purchase 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

#### A. Series C Bonds

Principal Amount of Local Bonds \$1,250,000  
Purchase Price of Local Bonds \$1,250,000

#### B. Series D Bonds

Principal Amount of Local Bonds \$500,000  
Purchase Price of Local Bonds \$500,000

The Local Bonds shall bear no interest. Commencing September 1, 2011, 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 only 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 Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629;
- (ii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916;
- (iii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000;
- (iv) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480;
- (v) City of Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601;
- (vi) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781;
- (vii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000;
- (viii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000;
- (ix) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000;

- (x) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000;
- (xi) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000;
- (xii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000;
- (xiii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000;
- (xiv) City of Charles Town Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A, dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000;
- (xv) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458; and
- (xvi) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000.

Number of New Customers:       None

Location:       N/A

**SCHEDULE Y**  
**DEBT SERVICE SCHEDULE**

City of Charles Town			
CW SRF			
0% Interest Rate , 0.5% Administrative Fee			
30 Years, \$1,250,000			
Dated Date		10/28/10	
Delivery Date		10/28/10	
Series C Bonds			
Period Ending	Principal	Interest	Debt Service
10/28/10			
9/1/11	10,417		10,417
12/1/11	10,417		10,417
3/1/12	10,417		10,417
6/1/12	10,417		10,417
9/1/12	10,417		10,417
12/1/12	10,417		10,417
3/1/13	10,417		10,417
6/1/13	10,417		10,417
9/1/13	10,417		10,417
12/1/13	10,417		10,417
3/1/14	10,417		10,417
6/1/14	10,417		10,417
9/1/14	10,417		10,417
12/1/14	10,417		10,417
3/1/15	10,417		10,417
6/1/15	10,417		10,417
9/1/15	10,417		10,417
12/1/15	10,417		10,417
3/1/16	10,417		10,417
6/1/16	10,417		10,417
9/1/16	10,417		10,417
12/1/16	10,417		10,417
3/1/17	10,417		10,417
6/1/17	10,417		10,417
9/1/17	10,417		10,417
12/1/17	10,417		10,417
3/1/18	10,417		10,417
6/1/18	10,417		10,417
9/1/18	10,417		10,417
12/1/18	10,417		10,417
3/1/19	10,417		10,417
6/1/19	10,417		10,417
9/1/19	10,417		10,417
12/1/19	10,417		10,417
3/1/20	10,417		10,417
6/1/20	10,417		10,417
9/1/20	10,417		10,417
12/1/20	10,417		10,417

City of Charles Town			
CW SRF			
0% Interest Rate , 0.5% Administrative Fee			
30 Years, \$1,250,000			
Period Ending	Principal	Interest	Debt Service
3/1/21	10,417		10,417
6/1/21	10,417		10,417
9/1/21	10,417		10,417
12/1/21	10,417		10,417
3/1/22	10,417		10,417
6/1/22	10,417		10,417
9/1/22	10,417		10,417
12/1/22	10,417		10,417
3/1/23	10,417		10,417
6/1/23	10,417		10,417
9/1/23	10,417		10,417
12/1/23	10,417		10,417
3/1/24	10,417		10,417
6/1/24	10,417		10,417
9/1/24	10,417		10,417
12/1/24	10,417		10,417
3/1/25	10,417		10,417
6/1/25	10,417		10,417
9/1/25	10,417		10,417
12/1/25	10,417		10,417
3/1/26	10,417		10,417
6/1/26	10,417		10,417
9/1/26	10,417		10,417
12/1/26	10,417		10,417
3/1/27	10,417		10,417
6/1/27	10,417		10,417
9/1/27	10,417		10,417
12/1/27	10,417		10,417
3/1/28	10,417		10,417
6/1/28	10,417		10,417
9/1/28	10,417		10,417
12/1/28	10,417		10,417
3/1/29	10,417		10,417
6/1/29	10,417		10,417
9/1/29	10,417		10,417
12/1/29	10,417		10,417
3/1/30	10,417		10,417
6/1/30	10,417		10,417
9/1/30	10,417		10,417
12/1/30	10,417		10,417
3/1/31	10,417		10,417
6/1/31	10,416		10,416
9/1/31	10,416		10,416

City of Charles Town  
 CW SRF  
 0% Interest Rate , 0.5% Administrative Fee  
 30 Years, \$1,250,000

Period Ending	Principal	Interest	Debt Service
12/1/31	10,416		10,416
3/1/32	10,416		10,416
6/1/32	10,416		10,416
9/1/32	10,416		10,416
12/1/32	10,416		10,416
3/1/33	10,416		10,416
6/1/33	10,416		10,416
9/1/33	10,416		10,416
12/1/33	10,416		10,416
3/1/34	10,416		10,416
6/1/34	10,416		10,416
9/1/34	10,416		10,416
12/1/34	10,416		10,416
3/1/35	10,416		10,416
6/1/35	10,416		10,416
9/1/35	10,416		10,416
12/1/35	10,416		10,416
3/1/36	10,416		10,416
6/1/36	10,416		10,416
9/1/36	10,416		10,416
12/1/36	10,416		10,416
3/1/37	10,416		10,416
6/1/37	10,416		10,416
9/1/37	10,416		10,416
12/1/37	10,416		10,416
3/1/38	10,416		10,416
6/1/38	10,416		10,416
9/1/38	10,416		10,416
12/1/38	10,416		10,416
3/1/39	10,416		10,416
6/1/39	10,416		10,416
9/1/39	10,416		10,416
12/1/39	10,416		10,416
3/1/40	10,416		10,416
6/1/40	10,416		10,416
9/1/40	10,416		10,416
12/1/40	10,416		10,416
3/1/41	10,416		10,416
6/1/41	10,417		10,417 *
	<b>1,250,000</b>		<b>1,250,000</b>

\*Plus a quarterly administrative fee of \$787.75 for a total  
 Administrative expense of \$94,530

City of Charles Town			
CW SRF			
0% Interest Rate, 0.5% Administrative Fee			
30 Years, \$500,000			
	Dated Date	10/28/10	
	Delivery Date	10/28/10	
		Series D Bonds	
Period Ending	Principal	Interest	Debt Service
10/28/10			
9/1/11	4,167		4,167
12/1/11	4,167		4,167
3/1/12	4,167		4,167
6/1/12	4,167		4,167
9/1/12	4,167		4,167
12/1/12	4,167		4,167
3/1/13	4,167		4,167
6/1/13	4,167		4,167
9/1/13	4,167		4,167
12/1/13	4,167		4,167
3/1/14	4,167		4,167
6/1/14	4,167		4,167
9/1/14	4,167		4,167
12/1/14	4,167		4,167
3/1/15	4,167		4,167
6/1/15	4,167		4,167
9/1/15	4,167		4,167
12/1/15	4,167		4,167
3/1/16	4,167		4,167
6/1/16	4,167		4,167
9/1/16	4,167		4,167
12/1/16	4,167		4,167
3/1/17	4,167		4,167
6/1/17	4,167		4,167
9/1/17	4,167		4,167
12/1/17	4,167		4,167
3/1/18	4,167		4,167
6/1/18	4,167		4,167
9/1/18	4,167		4,167
12/1/18	4,167		4,167
3/1/19	4,167		4,167
6/1/19	4,167		4,167
9/1/19	4,167		4,167
12/1/19	4,167		4,167
3/1/20	4,167		4,167
6/1/20	4,167		4,167
9/1/20	4,167		4,167
12/1/20	4,167		4,167

{C1891769.1}

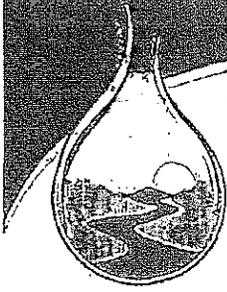
City of Charles Town  
 CW SRF  
 0% Interest Rate, 0.5% Administrative Fee  
 30 Years, \$500,000

Period Ending	Principal	Interest	Debt Service
3/1/21	4,167		4,167
6/1/21	4,167		4,167
9/1/21	4,167		4,167
12/1/21	4,167		4,167
3/1/22	4,167		4,167
6/1/22	4,167		4,167
9/1/22	4,167		4,167
12/1/22	4,167		4,167
3/1/23	4,167		4,167
6/1/23	4,167		4,167
9/1/23	4,167		4,167
12/1/23	4,167		4,167
3/1/24	4,167		4,167
6/1/24	4,167		4,167
9/1/24	4,167		4,167
12/1/24	4,167		4,167
3/1/25	4,167		4,167
6/1/25	4,167		4,167
9/1/25	4,167		4,167
12/1/25	4,167		4,167
3/1/26	4,167		4,167
6/1/26	4,167		4,167
9/1/26	4,167		4,167
12/1/26	4,167		4,167
3/1/27	4,167		4,167
6/1/27	4,167		4,167
9/1/27	4,167		4,167
12/1/27	4,167		4,167
3/1/28	4,167		4,167
6/1/28	4,167		4,167
9/1/28	4,167		4,167
12/1/28	4,167		4,167
3/1/29	4,167		4,167
6/1/29	4,167		4,167
9/1/29	4,167		4,167
12/1/29	4,167		4,167
3/1/30	4,167		4,167
6/1/30	4,167		4,167
9/1/30	4,167		4,167
12/1/30	4,167		4,167
3/1/31	4,167		4,167

City of Charles Town			
CW SRF			
0% Interest Rate, 0.5% Administrative Fee			
30 Years, \$500,000			
Period Ending	Principal	Interest	Debt Service
6/1/31	4,166		4,166
9/1/31	4,166		4,166
12/1/31	4,166		4,166
3/1/32	4,166		4,166
6/1/32	4,166		4,166
9/1/32	4,166		4,166
12/1/32	4,166		4,166
3/1/33	4,166		4,166
6/1/33	4,166		4,166
9/1/33	4,166		4,166
12/1/33	4,166		4,166
3/1/34	4,166		4,166
6/1/34	4,166		4,166
9/1/34	4,166		4,166
12/1/34	4,166		4,166
3/1/35	4,166		4,166
6/1/35	4,166		4,166
9/1/35	4,166		4,166
12/1/35	4,166		4,166
3/1/36	4,166		4,166
6/1/36	4,166		4,166
9/1/36	4,166		4,166
12/1/36	4,166		4,166
3/1/37	4,166		4,166
6/1/37	4,166		4,166
9/1/37	4,166		4,166
12/1/37	4,166		4,166
3/1/38	4,166		4,166
6/1/38	4,166		4,166
9/1/38	4,166		4,166
12/1/38	4,166		4,166
3/1/39	4,166		4,166
6/1/39	4,166		4,166
9/1/39	4,166		4,166
12/1/39	4,166		4,166
3/1/40	4,166		4,166
6/1/40	4,166		4,166
9/1/40	4,166		4,166
12/1/40	4,166		4,166
3/1/41	4,166		4,166
6/1/41	4,167		4,167
	500,000		500,000*
* Plus a quarterly administrative fee of \$315.09 for a total Administrative			
expense of \$37,810.80			

{C1891769.1}

**RESERVED**



## WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Joe Manchin, III  
Chairman

February 10, 2009

Kenneth Lowe, Jr.  
Public Member

Jane Arnett, Utility Manager  
Charles Town Utility Board

Dwight Calhoun  
Public Member

P.O. Box 359  
Charles Town, WV 25414

David "Bones" McComas  
Public Member

Re: City of Charles Town (Utility Board)  
Sewer Project 2008S-1069

Ron Justice  
Public Member

Dear Ms. Arnett,

Barbara J. Pauley  
Administrative Secretary

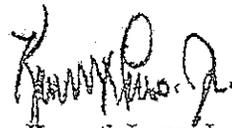
The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the City of Charles Town's (City) resubmitted preliminary application to upgrade the Tuscawilla wastewater treatment plant to Chesapeake Bay standards (Project).

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

Upon consideration of the resubmitted preliminary application, the Council determined that the City should pursue a \$15,550,750 Clean Water State Revolving Fund loan and utilize \$2,000,000 from capacity fees to fund this \$17,550,750 project. Please contact the West Virginia Division of Environmental Protection office at (304) 926-0499 X1611 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact the Council at 304-558-4607.

Sincerely,



Kenneth Lowe, Jr.

Enclosure

cc: Mike Johnson, P.E., DEP (w/o enclosure) (via e-mail)  
Region IX Eastern Panhandle Planning & Development Council  
Peter J. H. Thomson, P.E., Black & Veatch

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 2nd day of December, 2010, 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 Charles Town (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 Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), of the Issuer, in the principal amount of \$1,250,000, numbered CR-1 (the "Series 2010 C Bonds"), issued as a single, fully registered Bond, and, Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), of the Issuer, in the principal amount of \$500,000, numbered DR-1 (the "Series 2010 D Bonds"), issued as a single, fully registered Bond, both dated December 2, 2010.

2. At the time of such receipt, all the Series 2010 C Bonds and Series 2010 D Bonds had been executed by the Mayor and the Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2010 C Bonds and Series 2010 D Bonds.

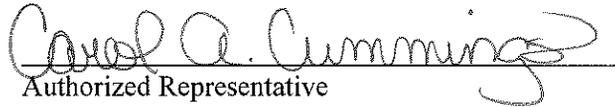
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2010 C Bonds, of \$110,804, being a portion of the principal amount of the Series 2010 C Bonds. The balance of the principal amount of the Series 2010 C Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2010 D Bonds, of \$500,000 being a portion of the principal amount of the Series 2010 D Bonds.

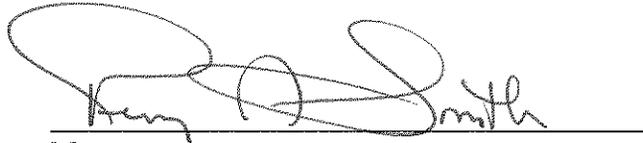
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Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

  
Authorized Representative

CITY OF CHARLES TOWN

  
Mayor

144220.00026

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Huntington National Bank  
as Bond Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 2nd day of December, 2010:

(1) Bond No. CR-1, constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), in the principal amount of \$1,250,000, and Bond No. DR-1, constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), in the principal amount of \$500,000, (collectively, the "Series 2010 Bonds"), executed by the Mayor and the Clerk of the City of Charles Town (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 June 7, 2010, and a Supplemental Resolution duly adopted by the Issuer on November 15, 2010 (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 Bond Purchase Agreement for the Series 2010 Bonds, dated October 28, 2010, 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 Purchase Agreement"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Bond Purchase Agreement and the Series 2010 Bonds.

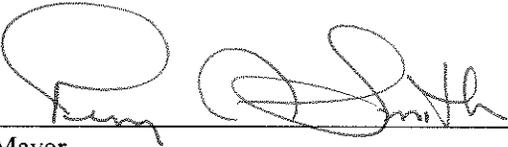
You are hereby requested and authorized to deliver the Series 2010 C Bonds to the Authority upon payment to the Issuer of the sum of \$110,804, representing a portion of the principal amount of the Series 2010 C Bonds. Prior to such delivery of the Series 2010 C Bonds, you will please cause the Series 2010 C 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.

You are hereby requested and authorized to deliver the Series 2010 D Bonds to the Authority upon payment to the Issuer of the sum of \$500,000, representing the entire principal amount of the Series 2010 D Bonds. Prior to such delivery of the Series 2010 D Bonds, you will please cause the Series 2010 D 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.

CITY OF CHARLES TOWN

A handwritten signature in black ink, appearing to read "Ken Smith", is written over a horizontal line.

Mayor

144220.00026

# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF CHARLES TOWN  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
DESIGN REVENUE BONDS, SERIES 2010 C  
(WEST VIRGINIA SRF PROGRAM)

No. CR-1

\$1,250,000

KNOW ALL MEN BY THESE PRESENTS: That on the 2nd day of December, 2010, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,250,000), 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, 2011, to and including June 1, 2041 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 September 1, 2011 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").

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 (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated October 28, 2010.

This Bond is issued (i) to pay the Series 2007 A Notes; (ii) to pay a portion of the costs of the Project; and (iii) to pay certain costs of issuance of the Bonds of this Series (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 June 7, 2010, and a Supplemental Resolution duly adopted by the Issuer on November 15, 2010 (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, TO THE ISSUER'S 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 REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
- (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
- (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
- (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
- (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 DESIGN BONDS");
- (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");
- (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");
- (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");

- (9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
- (10) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
- (11) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
- (12) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
- (13) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
- (14) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A, ISSUED DECEMBER 1, 2009 IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
- (15) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED SIMULTANEOUSLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");
- (16) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS"); AND
- (17) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2010 D BONDS").

THE SERIES 1987 B BONDS, THE SERIES 1988 B-1 BONDS, THE SERIES 1988 B-2 BONDS, THE SERIES 1989 B BONDS, THE SERIES 1998 DESIGN BONDS, THE SERIES 2000 A BONDS, THE SERIES 2002 A BONDS, THE SERIES 2002 B BONDS, THE SERIES 2002 C BONDS, THE SERIES 2003 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2006 A BONDS, THE SERIES 2006 B BONDS, THE SERIES 2009 A BONDS, THE SERIES 2010 A BONDS AND THE SERIES 2010 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and the Series 2010 D Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 C Bonds (the "Series 2010 C Bonds Reserve Account"), and unexpended proceeds of the Series 2010 C Bonds. Such Net 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, except from said special fund provided from the Net Revenues, the monies in the Series 2010 C Bonds Reserve Account and unexpended proceeds of the Series 2010 C 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 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 C Bonds including the Series 2010 D Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2010 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 C 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 or junior and subordinate to the Bonds, including the Series 2010 D Bonds and 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 Net 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 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 CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, has caused this Bond to be dated the day and year first written above.

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

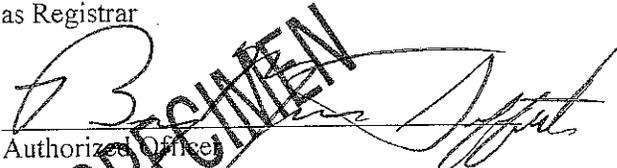
**SPECIMEN**

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 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: December 2, 2010.

THE HUNTINGTON NATIONAL BANK  
as Registrar

  
Authorized Officer

**SPECIMEN**

EXHIBIT A  
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$110,804	December 2, 2010	(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

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**BOND DEBT SERVICE**

City of Charles Town

CW SRF

0% Interest Rate , 0.5% Administrative Fee

30 Years, \$1,250,000

Dated Date 12/2/2010

Delivery Date 12/2/2010

Series C Bonds

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
10/28/2010			
9/1/2011	10,417		10,417
12/1/2011	10,417		10,417
3/1/2012	10,417		10,417
6/1/2012	10,417		10,417
9/1/2012	10,417		10,417
12/1/2012	10,417		10,417
3/1/2013	10,417		10,417
6/1/2013	10,417		10,417
9/1/2013	10,417		10,417
12/1/2013	10,417		10,417
3/1/2014	10,417		10,417
6/1/2014	10,417		10,417
9/1/2014	10,417		10,417
12/1/2014	10,417		10,417
3/1/2015	10,417		10,417
6/1/2015	10,417		10,417
9/1/2015	10,417		10,417
12/1/2015	10,417		10,417
3/1/2016	10,417		10,417
6/1/2016	10,417		10,417
9/1/2016	10,417		10,417
12/1/2016	10,417		10,417
3/1/2017	10,417		10,417
6/1/2017	10,417		10,417
9/1/2017	10,417		10,417
12/1/2017	10,417		10,417
3/1/2018	10,417		10,417
6/1/2018	10,417		10,417
9/1/2018	10,417		10,417
12/1/2018	10,417		10,417
3/1/2019	10,417		10,417
6/1/2019	10,417		10,417
9/1/2019	10,417		10,417
12/1/2019	10,417		10,417
3/1/2020	10,417		10,417
6/1/2020	10,417		10,417
9/1/2020	10,417		10,417
12/1/2020	10,417		10,417

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**BOND DEBT SERVICE**

City of Charles Town

CW SRF

0% Interest Rate , 0.5% Administrative Fee

30 Years, \$1,250,000

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
3/1/2021	10,417		10,417
6/1/2021	10,417		10,417
9/1/2021	10,417		10,417
12/1/2021	10,417		10,417
3/1/2022	10,417		10,417
6/1/2022	10,417		10,417
9/1/2022	10,417		10,417
12/1/2022	10,417		10,417
3/1/2023	10,417		10,417
6/1/2023	10,417		10,417
9/1/2023	10,417		10,417
12/1/2023	10,417		10,417
3/1/2024	10,417		10,417
6/1/2024	10,417		10,417
9/1/2024	10,417		10,417
12/1/2024	10,417		10,417
3/1/2025	10,417		10,417
6/1/2025	10,417		10,417
9/1/2025	10,417		10,417
12/1/2025	10,417		10,417
3/1/2026	10,417		10,417
6/1/2026	10,417		10,417
9/1/2026	10,417		10,417
12/1/2026	10,417		10,417
3/1/2027	10,417		10,417
6/1/2027	10,417		10,417
9/1/2027	10,417		10,417
12/1/2027	10,417		10,417
3/1/2028	10,417		10,417
6/1/2028	10,417		10,417
9/1/2028	10,417		10,417
12/1/2028	10,417		10,417
3/1/2029	10,417		10,417
6/1/2029	10,417		10,417
9/1/2029	10,417		10,417
12/1/2029	10,417		10,417
3/1/2030	10,417		10,417
6/1/2030	10,417		10,417
9/1/2030	10,417		10,417
12/1/2030	10,417		10,417
3/1/2031	10,417		10,417
6/1/2031	10,416		10,416
9/1/2031	10,416		10,416

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**BOND DEBT SERVICE**

City of Charles Town

CW SRF

0% Interest Rate , 0.5% Administrative Fee

30 Years, \$1,250,000

Period Ending	Principal	Interest	Debt Service
12/1/2031	10,416		10,416
3/1/2032	10,416		10,416
6/1/2032	10,416		10,416
9/1/2032	10,416		10,416
12/1/2032	10,416		10,416
3/1/2033	10,416		10,416
6/1/2033	10,416		10,416
9/1/2033	10,416		10,416
12/1/2033	10,416		10,416
3/1/2034	10,416		10,416
6/1/2034	10,416		10,416
9/1/2034	10,416		10,416
12/1/2034	10,416		10,416
3/1/2035	10,416		10,416
6/1/2035	10,416		10,416
9/1/2035	10,416		10,416
12/1/2035	10,416		10,416
3/1/2036	10,416		10,416
6/1/2036	10,416		10,416
9/1/2036	10,416		10,416
12/1/2036	10,416		10,416
3/1/2037	10,416		10,416
6/1/2037	10,416		10,416
9/1/2037	10,416		10,416
12/1/2037	10,416		10,416
3/1/2038	10,416		10,416
6/1/2038	10,416		10,416
9/1/2038	10,416		10,416
12/1/2038	10,416		10,416
3/1/2039	10,416		10,416
6/1/2039	10,416		10,416
9/1/2039	10,416		10,416
12/1/2039	10,416		10,416
3/1/2040	10,416		10,416
6/1/2040	10,416		10,416
9/1/2040	10,416		10,416
12/1/2040	10,416		10,416
3/1/2041	10,416		10,416
6/1/2041	10,417		10,417 *
	<b>1,250,000</b>		<b>1,250,000</b>

\*Plus a quarterly administrative fee of \$787.75 for a total

Administrative expense of \$94,530

(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:

\_\_\_\_\_

# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF CHARLES TOWN  
COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS,  
SERIES 2010 D  
(WEST VIRGINIA SRF PROGRAM)

No. DR-1

\$500,000

KNOW ALL MEN BY THESE PRESENTS: That on the 2nd day of December, 2010, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson 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 HUNDRED THOUSAND DOLLARS (\$500,000), 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, 2011, to and including June 1, 2041 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 September 1, 2011 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").

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 (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated October 28, 2010.

This Bond is issued (i) to pay the Series 2010 A Notes; (ii) to pay a portion of the costs of the Project; and (iii) 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 June 7, 2010, and a Supplemental Resolution duly adopted by the Issuer on November 15, 2010 (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, TO THE ISSUER'S 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 REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
- (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
- (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
- (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
- (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 DESIGN BONDS");
- (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");
- (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");
- (8) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");

- (9) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
- (10) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
- (11) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
- (12) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
- (13) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
- (14) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A, ISSUED DECEMBER 1, 2009 IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
- (15) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED SIMULTANEOUSLY IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");
- (16) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS"); AND
- (17) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 2010 C BONDS").

THE SERIES 1987 B BONDS, THE SERIES 1988 B-1 BONDS, THE SERIES 1988 B-2 BONDS, THE SERIES 1989 B BONDS, THE SERIES 1998 DESIGN BONDS, THE SERIES 2000 A BONDS, THE SERIES 2002 A BONDS, THE SERIES 2002 B BONDS, THE SERIES 2002 C BONDS, THE SERIES 2003 A BONDS, THE SERIES 2005 A BONDS, THE SERIES 2006 A BONDS, THE SERIES 2006 B BONDS, THE SERIES 2009 A BONDS, THE SERIES 2010 A BONDS AND THE SERIES 2010 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and the Series 2010 C Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2010 D Bonds (the "Series 2010 D Bonds Reserve Account"), and unexpended proceeds of the Series 2010 D Bonds. Such Net 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, except from said special fund provided from the Net Revenues, the monies in the Series 2010 D Bonds Reserve Account and unexpended proceeds of the Series 2010 D 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 115% of the maximum amount payable in any year for principal of and interest on the Series 2010 D Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 D Bonds including the Series 2010 C Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2010 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2010 D 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 or junior and subordinate to the Bonds, including the Series 2010 C Bonds and 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 Net 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 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 CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, 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 2010 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 2, 2010.

THE HUNTINGTON NATIONAL BANK  
as Registrar

  
Authorized Officer

**SPECIMEN**

EXHIBIT A  
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$500,000	December 2, 2010	(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

**BOND DEBT SERVICE**

City of Charles Town

CW SRF

0% Interest Rate, 0.5% Administrative Fee

30 Years, \$500,000

Dated Date 12/2/2010

Delivery Date 12/2/2010

Period Ending	Series D Bonds		
	Principal	Interest	Debt Service
10/28/2010			
9/1/2011	4,167		4,167
12/1/2011	4,167		4,167
3/1/2012	4,167		4,167
6/1/2012	4,167		4,167
9/1/2012	4,167		4,167
12/1/2012	4,167		4,167
3/1/2013	4,167		4,167
6/1/2013	4,167		4,167
9/1/2013	4,167		4,167
12/1/2013	4,167		4,167
3/1/2014	4,167		4,167
6/1/2014	4,167		4,167
9/1/2014	4,167		4,167
12/1/2014	4,167		4,167
3/1/2015	4,167		4,167
6/1/2015	4,167		4,167
9/1/2015	4,167		4,167
12/1/2015	4,167		4,167
3/1/2016	4,167		4,167
6/1/2016	4,167		4,167
9/1/2016	4,167		4,167
12/1/2016	4,167		4,167
3/1/2017	4,167		4,167
6/1/2017	4,167		4,167
9/1/2017	4,167		4,167
12/1/2017	4,167		4,167
3/1/2018	4,167		4,167
6/1/2018	4,167		4,167
9/1/2018	4,167		4,167
12/1/2018	4,167		4,167
3/1/2019	4,167		4,167
6/1/2019	4,167		4,167
9/1/2019	4,167		4,167
12/1/2019	4,167		4,167
3/1/2020	4,167		4,167
6/1/2020	4,167		4,167
9/1/2020	4,167		4,167
12/1/2020	4,167		4,167

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**BOND DEBT SERVICE**

City of Charles Town

CW SRF

0% Interest Rate, 0.5% Administrative Fee

30 Years, \$500,000

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
3/1/2021	4,167		4,167
6/1/2021	4,167		4,167
9/1/2021	4,167		4,167
12/1/2021	4,167		4,167
3/1/2022	4,167		4,167
6/1/2022	4,167		4,167
9/1/2022	4,167		4,167
12/1/2022	4,167		4,167
3/1/2023	4,167		4,167
6/1/2023	4,167		4,167
9/1/2023	4,167		4,167
12/1/2023	4,167		4,167
3/1/2024	4,167		4,167
6/1/2024	4,167		4,167
9/1/2024	4,167		4,167
12/1/2024	4,167		4,167
3/1/2025	4,167		4,167
6/1/2025	4,167		4,167
9/1/2025	4,167		4,167
12/1/2025	4,167		4,167
3/1/2026	4,167		4,167
6/1/2026	4,167		4,167
9/1/2026	4,167		4,167
12/1/2026	4,167		4,167
3/1/2027	4,167		4,167
6/1/2027	4,167		4,167
9/1/2027	4,167		4,167
12/1/2027	4,167		4,167
3/1/2028	4,167		4,167
6/1/2028	4,167		4,167
9/1/2028	4,167		4,167
12/1/2028	4,167		4,167
3/1/2029	4,167		4,167
6/1/2029	4,167		4,167
9/1/2029	4,167		4,167
12/1/2029	4,167		4,167
3/1/2030	4,167		4,167
6/1/2030	4,167		4,167
9/1/2030	4,167		4,167
12/1/2030	4,167		4,167
3/1/2031	4,167		4,167

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**BOND DEBT SERVICE**

City of Charles Town

CW SRF

0% Interest Rate, 0.5% Administrative Fee

30 Years, \$500,000

Period Ending	Principal	Interest	Debt Service
6/1/2031	4,166		4,166
9/1/2031	4,166		4,166
12/1/2031	4,166		4,166
3/1/2032	4,166		4,166
6/1/2032	4,166		4,166
9/1/2032	4,166		4,166
12/1/2032	4,166		4,166
3/1/2033	4,166		4,166
6/1/2033	4,166		4,166
9/1/2033	4,166		4,166
12/1/2033	4,166		4,166
3/1/2034	4,166		4,166
6/1/2034	4,166		4,166
9/1/2034	4,166		4,166
12/1/2034	4,166		4,166
3/1/2035	4,166		4,166
6/1/2035	4,166		4,166
9/1/2035	4,166		4,166
12/1/2035	4,166		4,166
3/1/2036	4,166		4,166
6/1/2036	4,166		4,166
9/1/2036	4,166		4,166
12/1/2036	4,166		4,166
3/1/2037	4,166		4,166
6/1/2037	4,166		4,166
9/1/2037	4,166		4,166
12/1/2037	4,166		4,166
3/1/2038	4,166		4,166
6/1/2038	4,166		4,166
9/1/2038	4,166		4,166
12/1/2038	4,166		4,166
3/1/2039	4,166		4,166
6/1/2039	4,166		4,166
9/1/2039	4,166		4,166
12/1/2039	4,166		4,166
3/1/2040	4,166		4,166
6/1/2040	4,166		4,166
9/1/2040	4,166		4,166
12/1/2040	4,166		4,166
3/1/2041	4,166		4,166
6/1/2041	4,167		4,167
	500,000		500,000 *

\* Plus a quarterly administrative fee of \$315.09 for a total Administrative expense of \$37,810.80

(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:

\_\_\_\_\_



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

Writer's Contact Information

December 2, 2010

City of Charles Town  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C  
(West Virginia SRF Program)

City of Charles Town  
Charles Town, 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 Charles Town (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$1,250,000 Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (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 a Bond Purchase Agreement dated October 28, 2010, including all schedules and exhibits attached thereto (the "Bond Purchase 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 Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, bearing no interest, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011 to and including June 1, 2041, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2010 C Bonds are subject to the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2010 C Bonds as set forth in the Schedule Y attached to the Loan Agreement.

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 the Series 2007 A Notes; (ii) paying a portion of the costs of the Project; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on June 7, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 15, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase 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 design 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 Bond Purchase 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 Bond Purchase 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 Net Revenues of the System and secured by a first lien on and pledge of the Net 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 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 ("Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 ("Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 ("Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 ("Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 ("Series 1998 Design Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 ("Series 2000

A Bonds”); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (“Series 2002 A Bonds”); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (“Series 2002 B Bonds”); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (“Series 2002 C Bonds”); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (“Series 2003 A Bonds”); (xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (“Series 2005 A Bonds”); (xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (“Series 2006 A Bonds”); (xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (“Series 2006 B Bonds”); (xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 (“Series 2009 A Bonds”); (xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010 in the original aggregate principal amount of \$912,458 (“Series 2010 A Bonds”); (xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA) dated January 13, 2010 in the original aggregate principal amount of \$100,000 (“Series 2010 B Bonds”); and (xvii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program) dated December 2, 2010 in the original aggregate principal amount of \$500,000 issued simultaneously herewith (“Series 2010 D 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 Bond Purchase 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 CR-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

144220.00026

December 2, 2010

City of Charles Town  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

City of Charles Town  
Charles Town, 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 Charles Town (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$500,000 Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (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 a Bond Purchase Agreement dated October 28, 2010, including all schedules and exhibits attached thereto (the "Bond Purchase 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 Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, bearing no interest, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011 to and including June 1, 2041, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2010 D Bonds are subject to the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2010 D Bonds as set forth in the Schedule Y attached to the Loan Agreement.

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 the Series 2010 A Notes; (ii) paying a portion of the costs of the Project; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on June 7, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 15, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase 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 design 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 Bond Purchase 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 Bond Purchase 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 Net Revenues of the System and secured by a first lien on and pledge of the Net 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 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 ("Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 ("Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 ("Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 ("Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 ("Series 1998 Design Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 ("Series 2000

A Bonds”); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (“Series 2002 A Bonds”); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (“Series 2002 B Bonds”); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (“Series 2002 C Bonds”); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (“Series 2003 A Bonds”); (xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (“Series 2005 A Bonds”); (xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (“Series 2006 A Bonds”); (xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (“Series 2006 B Bonds”); (xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 (“Series 2009 A Bonds”); (xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010 in the original aggregate principal amount of \$912,458 (“Series 2010 A Bonds”); (xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA) dated January 13, 2010 in the original aggregate principal amount of \$100,000 (“Series 2010 B Bonds”); and (xvii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) dated December 2, 2010 in the original aggregate principal amount of \$1,250,000 issued simultaneously herewith (“Series 2010 C 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.

7. The Series 2010 A Notes have been paid within the meaning and with the effect expressed in the Ordinance, as supplemented, pursuant to which they were issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2010 A Notes have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Purchase 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 DR-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

144220.00026

# Law Offices of Hoy Shingleton, L.C.

115 Aikens Center Suite 24  
Martinsburg, West Virginia 25404

304-262-4773 Telephone

304-262-4775 Fax

shinglet@comcast.net

December 2, 2010

City of Charles Town  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

City of Charles Town  
Charles Town, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Steptoe & Johnson PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Charles Town, in Jefferson County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a Bond Purchase Agreement dated October 28, 2010, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer and 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 June 7, 2010, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 15, 2010 (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 Bond Purchase Agreement when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, with full power and authority to design 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 Bond Purchase 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 Bond Purchase Agreement and the consummation of the transactions contemplated by the Bonds, the Bond Purchase 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 my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Bond Purchase 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 Net Revenues therefor.

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

Very truly yours,

HOY SINGLETON

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C  
(West Virginia SRF Program); and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(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. INSURANCE
10. BOND PURCHASE 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. SPECIMEN BOND
18. CONFLICT OF INTEREST
19. PROCUREMENT OF ENGINEERING SERVICES
20. CLEAN WATER ACT
21. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CLERK of the City of Charles Town in Jefferson County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify, on this the 2nd day of December, 2010, in connection with the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) (the "Series 2010 C Bonds"), and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program) (the "Series 2010 D Bonds") dated the date hereof (collectively the "Bonds" or the "Series 2010 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 June 7, 2010, and the Supplemental Resolution duly adopted November 15, 2010 (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 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 Net 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 Project, the operation of the System, the collection of the Gross Revenues or the pledge of Net 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 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.

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 Bond Purchase Agreement, and the Issuer has met all conditions prescribed in the Bond Purchase 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 2010 Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 (the "Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 (the "Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 (the "Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 (the "Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 (the "Series 1998 Design Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 (the "Series 2000 A Bonds"); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (the "Series 2002 A Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (the "Series 2002 B Bonds"); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (the "Series 2002 C Bonds"); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (the "Series 2003 A Bonds"); (xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (the "Series 2005 A Bonds"); (xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (the "Series 2006 A Bonds"); (xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series

2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2006 B Bonds"); (xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 (the "Series 2009 A Bonds"); (xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458 (the "Series 2010 A Bonds"); and (xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 (the "Series 2010 B Bonds"), (collectively referred to as the "Prior Bonds").

The Series 2010 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 2010 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 Prior Bonds to the issuance of the Series 2010 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Purchase 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 Legislation

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

Prior Bond Ordinances

WDA Consent to Issuance of Parity Bonds

Receipt and Release of Series 2007 A Notes

Receipt and Release of Series 2010 A Notes

Evidence of Insurance

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is "City of Charles Town." The Issuer is a municipal corporation in Jefferson 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 8 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
Michael Slover	Councilmember	June 2007	June 2011
Chester A Hines	Councilmember	June 2009	June 2013
Marylois Gannon-Miller	Councilmember	June 2007	June 2011
Ann Paonessa	Councilmember	June 2007	June 2011
Ruth McDaniel	Councilmember	June 2007	June 2011
Richard J. Bringewatt	Councilmember	June 2009	June 2013
Donald W. Clendening	Councilmember	June 2009	June 2013
Sandra Slusher McDonald	Councilmember	June 2009	June 2013
Peggy A. Smith	Mayor	June 2009	June 2013

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

Gary Rawlings	Chairman and Member
Charles W. Kline	Member
Pete Kubic, PE	Member
Kristen Ringstaff	Member
Thomas W. Stocks	Member

The duly appointed and acting Clerk of the Issuer is Joseph Cosentini. The duly appointed and acting City Manager of the Issuer is Gary Rawlings. The duly appointed and acting Counsel to the Issuer is Hoy G. Shingleton, Jr., Esquire.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the System have been acquired 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.

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 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. INSURANCE: All insurance for the System required by the Bond Legislation and Bond Purchase Agreement is in full force and effect.

10. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with the Bond Purchase Agreement.

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 Bond Purchase Agreement. All insurance for the System required by the Ordinance and the Bond Purchase 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 April 15, 2008 and a sewer rate ordinance setting sewer rates and charges for the System on August 7, 2006.

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 Bond Purchase 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 \$110,804 from the Authority and the DEP, being a portion of the principal amount of the Series 2010 C Bonds and \$500,000 from the Authority and the DEP, being the entire principal amount of the Series 2010 D Bonds. The balance of the principal amount of the Series 2010 C Bonds will be advanced to the Issuer as 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 Spirit of Jefferson Advocate*, a qualified newspaper published and of general circulation in the City of Charles Town, 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 7th day of June, 2010, at 7:00 p.m., at the City Hall in Charles Town, 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. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2010 Bonds.

18. 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.

19. 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.

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

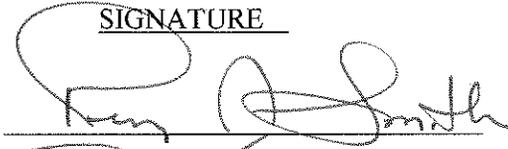
21. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Left Blank]

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

[CORPORATE SEAL]

SIGNATURE

  
\_\_\_\_\_

OFFICIAL TITLE

Mayor

Clerk

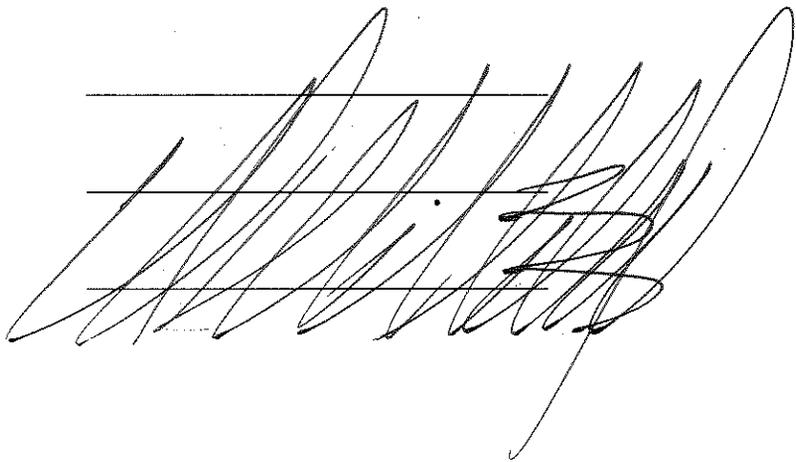
Counsel to the Issuer

144220.00026

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

[CORPORATE SEAL]

SIGNATURE

A large, stylized handwritten signature in black ink is written over three horizontal lines. The signature is highly cursive and difficult to decipher, but appears to start with a large 'C' and end with a long, sweeping tail.

OFFICIAL TITLE

Mayor

Clerk

Counsel to the Issuer

144220.00026

5430944

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

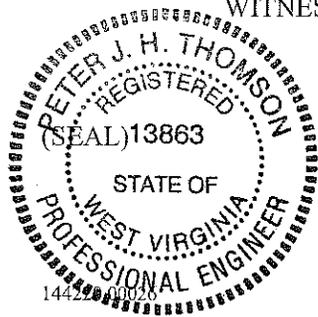
I, Peter J. H. Thomson, Registered Professional Engineer, West Virginia License No. 13863 of Black & Veatch Corporation, Gaithersburg, Maryland, hereby certify to the best of my knowledge this 2nd day of December, 2010:

1. My firm is engineer for the design of extensions and improvements to a public sewerage system (the design of the aforementioned extensions and improvements to the public sewerage system is herein referred to as the "Project") of the City of Charles Town (the "Issuer") to be constructed in Jefferson County, West Virginia, which design is being temporarily 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 meanings set forth in the Bond Ordinance enacted by the Issuer on June 7, 2010, and the Supplemental Resolution adopted by the Issuer on November 15, 2010, and the Bond Purchase Agreement dated October 28, 2010 (the "Bond Purchase Agreement"), by and among the Issuer and the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP").

2. The Bonds are being issued for the purposes of (i) permanently financing a portion of the costs of the Project; (ii) paying the Series 2007 A Notes; (iii) paying the Series 2010 A Notes; and (iv) paying costs of issuance and related costs.

3. The undersigned hereby certifies that (i) the Project will be completed by my firm as described in the application submitted to the Authority and the DEP, requesting the Authority to purchase the Bonds (the "Application"), (ii) the extensions and improvements to the public sewerage system of the Issuer which will be designed as a result of the Project will be adequate for the purpose for which it will be designed and, when constructed, will have a useful life of at least 32 years, (iii) prior to construction, the undersigned will assist the Issuer in obtaining all permits required by the laws of the State of West Virginia and the United States necessary for the construction and acquisition of the improvements and extensions contemplated by the Project and the operation of the System, (iv) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto, are sufficient to pay the costs of the Project and pay the outstanding balance of the Series 2007 A Notes and Series 2010 A Notes, other than the amount deferred by the Consulting Engineer and proceeds of any grants available to the Issuer, as set forth in the Application, and (v) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project and Sources of Funds" for the Project.

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



BLACK & VEATCH CORPORATION

A handwritten signature in black ink, appearing to read "Peter J. H. Thomson", written over a horizontal line.

Peter J. H. Thomson, P.E.  
West Virginia License No. 13863

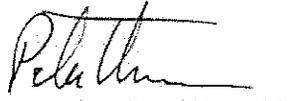
**SCHEDULE B**  
City of Charles Town

Draft 9/15/2010 rev 1

<b>A. Cost of Project</b>	<b>TOTAL</b>	<b>2010 C</b>	<b>2010 D</b>	<b>Charles Town</b>
1. Construction	0.00	0.00	0.00	0.00
2. Payoff 2007 A BAN (DTE)				
a. Principal	1,070,000.00	1,070,000.00	0.00	0.00
b. Interest (estimate)	30,000.00	0.00	0.00	30,000.00
3. Payoff 2010 A BAN (Bank of Charles Town)				
a. Principal	500,000.00	0.00	500,000.00	0.00
b. Interest (estimate)	6,000.00	0.00	0.00	6,000.00
4. Technical Services				
Task Order #20	60,000.00	60,000.00	0.00	0.00
RKK Task Order (total contract \$127,206)	94,000.00	94,000.00	0.00	0.00
5. Accounting	0.00	0.00	0.00	0.00
6. Legal	0.00	0.00	0.00	0.00
7. Administration	0.00	0.00	0.00	0.00
8. Sites & Lands (R-O-W Acquisitions)	0.00	0.00	0.00	0.00
9. Permits/ Ads / Miscellaneous	0.00	0.00	0.00	0.00
10. TOTAL Lines 1 through 9	1,760,000.00	1,224,000.00	500,000.00	36,000.00
<b>B. Cost of Financing</b>				
11. Registrar Fee	1,000.00	1,000.00	0.00	0.00
12. Debt Reserve	0.00	0.00	0.00	0.00
13. Bond Counsel (Steptoe & Johnson)	25,000.00	25,000.00	0.00	0.00
14. Cost of Issuance (Lines 11 through Line 13)	26,000.00	26,000.00	0.00	0.00
15. TOTAL COST OF PROJECT (Line 10 + Line 14)	1,786,000.00	1,250,000.00	500,000.00	36,000.00
<b>C. Sources of Funds</b>				
16. Federal Grants	0.00	0.00	0.00	0.00
17. State Grants	0.00	0.00	0.00	0.00
18. Other Grants (City)	36,000.00	0.00	0.00	36,000.00
19. TOTAL GRANTS	36,000.00	0.00	0.00	36,000.00
20. SIZE OF BOND ISSUE (Line 15 minus Line 19)	1,750,000.00	1,250,000.00	500,000.00	0.00

  
City of Charles Town

11-16-2010  
Date

  
Engineer

September 27, 2010  
Date



**J.C. Kunkle & Associates, A.C.**  
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

December 2, 2010

City of Charles Town

**Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)**

City of Charles Town  
Charles Town, 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 on April 15, 2008 and Sewer Rate Ordinance enacted by the City of Charles Town (the "Issuer") on August 7, 2006 and the projected operating expenses and the anticipated customer usage as furnished to us by Black & Veatch, the Consulting Engineer to the City of Charles Town (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will pay all 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 Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) issued in the aggregate principal amount of \$1,250,000 (the "Series 2010 C Bonds") and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D, (West Virginia SRF Program), issued in the aggregate principal amount of \$500,000 (the "Series 2010 D Bonds" and with the Series 2010 C Bonds collectively known as the "Series 2010 Bonds") and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 Bonds, including the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 ("Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 ("Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 ("Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 ("Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds,

164 Lina Lane ■ Martinsburg, WV 25405

304/263-9299 ■ Fax 304/267-7032 ■ e-mail: [jckunkle@jckunkleassociates.com](mailto:jckunkle@jckunkleassociates.com)

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 ("Series 1998 Design Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 ("Series 2000 A Bonds"); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 ("Series 2002 A Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 ("Series 2002 B Bonds"); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 ("Series 2002 C Bonds"); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 ("Series 2003 A Bonds"); (xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 ("Series 2005 A Bonds"); (xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 ("Series 2006 A Bonds"); (xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 ("Series 2006 B Bonds"); (xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 ("Series 2009 A Bonds"); (xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458 ("Series 2010 A Bonds"); and (xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 ("Series 2010 B Bonds"), collectively referred to as the "Prior Bonds", as defined in the Bond Ordinance authorizing the 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 2010 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 2010 Bonds and the Prior Bonds.

Very truly yours,

J.C. KUNKLE & ASSOCIATES, A.C.

*J. C. Kunkle & Associates, A.C.*

Martinsburg, West Virginia

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor and Clerk of the City of Charles Town in Jefferson County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$1,250,000 Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) and \$500,000 Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), of the Issuer, both dated December 2, 2010 (collectively the "Bonds" or the "Series 2010 Bonds") on the 2nd day of December, 2010, 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 June 7, 2010, as supplemented by Supplemental Resolution duly adopted on November 15, 2010 (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 December 2, 2010, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2010 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 2010 C Bonds were sold on December 2, 2010, to the Authority, pursuant to an Bond Purchase Agreement dated October 28, 2010 (the "Bond Purchase Agreement"), by and among the Issuer, the Authority, and the DEP, for an aggregate purchase price of \$1,250,000 (100% of par), at which time, the Issuer received \$110,804 from the Authority and the DEP, being the first advance of the principal amount of the Series 2010 C Bonds. No accrued interest has been or will be paid on the Series 2010 C Bonds. The balance of the principal amount of the Series 2010 C Bonds will be advanced to the Issuer as the Project progresses.

6. The Series 2010 D Bonds were sold on December 2, 2010, to the Authority, pursuant to the Bond Purchase Agreement dated October 28, 2010, by and among the Issuer, the Authority, and the DEP, for an aggregate purchase price of \$500,000 (100% of par), at which time, the Issuer received \$500,000 from the Authority and the DEP, being the entire principal amount of the Series 2010 D Bonds. No accrued interest has been or will be paid on the Series 2010 D Bonds.

7. The Series 2010 C Bonds and Series 2010 D Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of the Project; (ii) paying the Series 2007 A Notes; (iii) paying the Series 2010 A Notes; and (iv) paying certain costs of issuance of the Bonds and related costs.

8. Within 30 days after the delivery of the Series 2010 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 Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2010 Bonds respective Reserve Account, if any, all of the proceeds from the sale of the Series 2010 Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before December 1, 2011. The Project is expected to be completed by September 1, 2011.

9. The total cost of the Project, a portion of which is financed from the proceeds of the Series 2010 Bonds (including all costs of issuance of the Series 2010 Bonds), is estimated at \$1,786,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2010 C Bonds	\$1,250,000
Proceeds of the Series 2010 D Bonds	500,000
Issuer Contribution	36,000
Total Sources	<u>\$1,786,000</u>

USES

Costs of the Project	\$ 154,000.00
Pay the Series 2007 A Notes (estimate)	1,105,006.95
Pay the Series 2010 A Notes	500,993.05
Costs of Issuance	<u>26,000.00</u>
Total Uses	<u>\$1,786,000.00</u>

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2010 Bonds:

- (1) Revenue Fund (established by Prior Ordinance);
- (2) Renewal and Replacement Fund (established by Prior Ordinance);
- (3) Series 2010 Bonds Project Trust Fund;
- (4) Series 2010 C Bonds Sinking Fund;
- (5) Series 2010 C Bonds Reserve Account;
- (6) Series 2010 D Bonds Sinking Fund; and
- (7) Series 2010 D Bonds Reserve Account.

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

(1) Series 2010 C Bonds proceeds in the amount of \$-0- will be deposited in the Series 2010 C Bonds Reserve Account.

(2) On April 1, 2011, the call date of the Series 2007 A Notes, Series 2010 C Bonds proceeds in the amount of \$1,070,000 will be deposited with the Commission to pay in full the series 2007 A Notes.

(3) The balance of the proceeds of the Series 2010 C Bonds will be deposited in the Series 2010 Bonds Project 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 2010 C Bonds and related costs.

(4) Series 2010 D Bonds proceeds in the amount of \$-0-will be deposited in the Series 2010 D Bonds Reserve Account.

(5) Series 2010 D Bonds proceeds in the amount of \$500,000 will be deposited with the Bank of Charles Town to pay a portion of the Series 2010 A Notes.

12. Monies held in the Series 2010 C Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2010 C Bonds and will not be available to meet costs of the Project. All investment earnings on monies in the Series 2010 C Bonds Sinking Fund and Series 2010 C Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2010 C Bonds Project Trust Fund during the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Monies held in the Series 2010 D Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2010 D Bonds and will not be available to meet costs of the Project. All investment earnings on monies in the Series 2010 D Bonds Sinking Fund and Series 2010 D Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2010 D Bonds Project Trust Fund during the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

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

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

16. With the exception of the amount deposited in the Series 2010 C Bonds Reserve Account and Series 2010 D Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

17. 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.

18. 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.

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

20. 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.

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

22. 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.

23. The Bonds are not federally guaranteed.

24. 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.

25. The Issuer has either (a) funded the Series 2010 C 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 2010 C Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2010 C 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 2010 C Bonds Reserve Account and the Series 2010 C 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.

26. The Issuer has either (a) funded the Series 2010 D 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 2010 D Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2010 D 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 2010 D Bonds Reserve Account and the Series 2010 D 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.

27. 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.

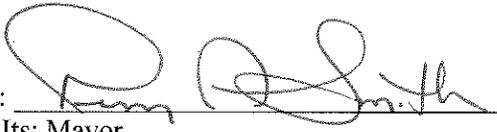
28. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

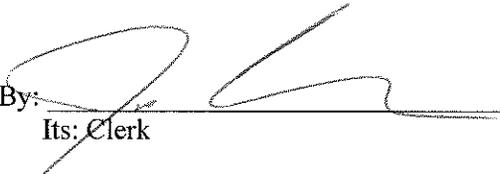
29. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

WITNESS our signatures on day and year first written above.

CITY OF CHARLES TOWN

By:   
Its: Mayor

By:   
Its: Clerk

144220.00026

CHARTER  
OF THE  
CITY OF  
CHARLES TOWN  
WEST VIRGINIA

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EDITOR'S NOTE: The Charles Town Charter was enacted by the West Virginia Legislature in 1915.

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CHARTER  
OF THE  
CITY OF  
CHARLES TOWN  
WEST VIRGINIA

SECTION I. CORPORATE LIMITS.

The corporate limits of the Town of Charles Town shall be as follows, to-wit:  
Beginning at the corner of William H. Travers and Andrew Hunter, on the north side of Smithfield; Charles Town and Harpers Ferry turnpike, being 41.1 poles from the east side to town alley (figure 1 in plat of S. Howell Brown's survey of January eighteenth, one thousand eight hundred and seventy-two); running thence with the line of said Travers and Hunter, and also the line of Richard Hessey and the said Hunter, N. 20 degrees, 20 minutes, W. to the Winchester and Potomac Railroad, and extending the same course in all 79.3 poles to a stake in James M. Ranson's field; thence parallel to Washington Street S. 69 degrees, 40 minutes, W. 290 poles to a stake at the prolongation of the line of Mrs. Buskirk and Henry B. Davenport; thence in the direction of said line S. 20 degrees, 20 minutes, E. 10.8 poles to a stake at the west side of new road, where the same intersects the "Old Mill Road"; thence with the west side of new road S. 20 degrees, 10 minutes, W. 52.9 poles, crossing the aforesaid turnpike to a stake in the line of said Davenport (5); and thence with the said line S. 17 degrees, 50 minutes, E. 30.9 poles to the south line of the "Old Winchester Road"; thence with it N. 69 degrees, 40 minutes, E. 36.05 poles to a point at the prolongation of the aforesaid line of Buskirk and Davenport; thence extending said course S. 20 degrees, 20 minutes, E. 147.12 poles to a stake in William Drew's field; thence parallel to Washington Street N. 69 degrees, 40 minutes, E. 122 poles to a stake; thence S. 20 degrees, 20 minutes, E. 45.45 poles to a stake; thence N. 69 degrees, 40 minutes, E. 115.25 poles to a stake; thence N. 20 degrees, 20 minutes, W. 45.45 poles to a stake; thence N. 69 degrees, 40 minutes, E. 52.75 poles to a stake in George H. Tate's field (13); thence N. 20 degrees, 20 minutes, W. 150.18 poles to beginning; containing 460 acres.

Editor's Note: In addition to the above described territory, the following territory was annexed to the city in 1967:

Beginning at the present corporation line of Charles Town in the east line of South Samuel Street; thence N 72-30 E 926 feet; thence N 17-30 W 750 feet, crossing Forrest Avenue, to a point; thence and still with said present corporation line, N 72-30 E 797.3 feet to a point; thence leaving said present corporation line and running with the east line of an alley, S 20-15 W 1463.7 feet to a point therein; thence S 69-45 E 3 feet; thence S 20-15 W 992.2 feet to a point; thence N 69-43 W 79.8 feet; and N 18-00 W 425.4 feet; N 13-30 E 285.7 feet; N 25-10 E 45 feet; N 14-15 W 205 feet; and S 73-15 W 343.5 feet to the east line of South Samuel Street (extended); and thence with same N 17-30 W 232 feet to the beginning; containing 22.48 acres.

#### SECTION 2. MUNICIPAL AUTHORITIES.

The Municipal authorities of said Town shall be a Mayor and two Councilmen from each ward who, together, shall be a Common Council.

#### SECTION 3. TOWN INCORPORATE.

The Mayor and Councilmen as soon as they shall be elected and qualified, as herein provided, shall be a body politic and corporate by the name of "The Corporation of Charles Town", and shall have perpetual succession and a common seal; and by that name may sue and be sued, plead and be impleaded, contract and be contracted with, and may purchase and hold real estate and other property necessary or proper to enable it to discharge its duties, and needful for the good order, government and welfare of said corporation.

#### SECTION 4. CORPORATE POWERS.

All the corporate powers of said town shall be exercised by the said Council or under its authority, except when otherwise provided.

#### SECTION 5. ELECTION OF MAYOR.

The Mayor and Councilmen shall be elected by the qualified voters of said corporation.

#### SECTION 6. WARDS; ELECTIONS THEREIN.

The said town shall consist of four wards located and bounded as follows:  
The first ward shall include all the territory within the corporate limits lying north of Washington Street and the Summit Point road and west of George Street; the second ward, all the territory lying south of Washington Street and the Summit Point road and west of George Street; the third ward all the territory within said corporate limits lying east of George Street and south of Washington Street; the fourth ward all the territory within said corporate limits lying east of George Street and north of Washington Street. Elections in said corporation under this Act shall be held on the fourth Thursday in May, one thousand nine hundred and fifteen, and annually thereafter on such Thursday, and shall be under the supervision of three inspectors at each election precinct in said Town, who are to be appointed by the Council, and who shall be governed by such rules and regulations as the Council may prescribe. The Council shall select and designate the voting places of the respective wards in the Town.

**SECTION 7. QUALIFICATIONS OF MAYOR, ETC.,**

The Mayor and Councilmen must be, at the time of their election and during their terms of office, owners in fee of real estate in said corporation of the value of two hundred and fifty dollars over and above all encumbrances, and be entitled to vote for members of its common Council.

**SECTION 8. TERMS OF OFFICE**

Their term of office shall be (except when to fill vacancies) for two years, and until their successors are elected and qualified, as herein provided; except that at the election to be held on the fourth Thursday in May, one thousand nine hundred and fifteen, there shall be elected one Councilman from the first, second, and fourth wards, and two Councilmen from the third ward, one of the said two so elected from the third ward to hold office for two years, and the other for one year; the terms of office of said Councilmen so elected from the third ward shall be determined by lot at the first meeting of the Council held after such election in one thousand nine hundred and fifteen.

Annually thereafter, on the fourth Thursday in May, there shall be elected one Councilman from each ward, to be voted for throughout the town as hereinbefore provided. The Mayor shall be elected on the fourth Thursday in May, one thousand nine hundred and sixteen, and every two years thereafter on such Thursday. The Mayor and members of the Council elected in May, one thousand nine hundred and fifteen, shall continue in office until their successors are elected in May, one thousand nine hundred and sixteen.

**SECTION 9. CERTIFICATES OF ELECTION.**

As soon as the result for such election for Mayor and Councilmen is ascertained, the inspectors of election shall sign a certificate containing complete returns of the polls taken at their place of voting for all of said officers, and shall enclose the certificate in an envelope, which shall be sealed up and endorsed by each of such inspectors. The inspectors, or one of them, shall, within three days after the day on which such election was held, deliver said certificates to the Mayor of said Town. At the next meeting of the Council thereafter the Mayor shall present such certificates to the Council, who shall examine the same and ascertain the true result of such election in said Town, and the person respectively appearing to have received the highest number of vote for the several offices shall be declared elected, and a certificate thereof signed by the Mayor shall be granted to the person so elected.

**SECTION 10. WHO MAY VOTE.**

Every person who shall have resided within the boundaries of said Town for one month, and within the ward in which he offers to vote for five days next preceding the election held therein, and who is a qualified voter under the laws and Constitution of this State, and no others, shall be entitled to vote at any election held in said town.

**SECTION 11. VACANCIES IN OFFICE.**

All vacancies occurring from any cause in any elective office of the Town shall be filled by appointment by the Council until the next election held in said Town for Councilmen; but in case of a Councilman, such appointment shall be made only of a resident of the ward in which such vacancy has occurred, and such appointees shall be otherwise qualified as is required by this Act.

**SECTION 12. MODE OF VOTING.**

At all elections the mode of voting shall be that prescribed by the State Constitution for election of State officers.

**SECTION 13. TIE VOTES**

Whenever two or more candidates for the same office at any election shall receive an equal number of votes, the Council shall, in an equitable mode, determine which of the persons so voted for shall be returned elected.

**SECTION 14. CONTESTED ELECTIONS.**

All contested elections shall be heard and decided by the Council for the time being; but the Council may order a new election if satisfied the ends of justice will be better attained thereby.

**SECTION 15. QUORUM.**

A majority of the Councilmen elected shall be necessary for the transaction of any business.

**SECTION 16. NUMBER, TERMS, DUTIES AND COMPENSATION OF APPOINTIVE OFFICERS.**

There shall be one or more Sergeants, a Clerk, a Treasurer, an Assessor, a City Attorney, a City Health Officer, a City Engineer, and three Commissioners of Roads, Streets and Alleys of said Town, who shall be appointed by the Council thereof and hold office during the pleasure of said Council. The duties of Sergeant, Clerk, Treasurer and Assessor may be discharged by the same person, or otherwise, as the Council may from time to time determine; but no member of the Council shall hold any of said offices. The compensation for said officers shall be in the discretion of the Council.

**SECTION 17. OATH OF MAYOR AND COUNCILMEN.**

The Mayor and Councilmen and all officers herein provided for, shall each, before entering upon the duties of his office, and within ten days of the time of his election or appointment, take and subscribe an oath to faithfully and impartially discharge the duties of his office, and the oath to support the Constitution of the United States, and the Constitution of the State of West Virginia. The Mayor, having taken such oath or affirmation, may administer the same to the Councilmen and other officers. Certificates of said oaths or affirmations shall be recorded in the journal of said Council, and whenever two-thirds of the members of the Council shall have qualified, they shall enter upon said offices.

**SECTION 18. FAILURE TO QUALIFY.**

If any one who shall have been elected Mayor or Councilman shall not be eligible as herein prescribed, or shall refuse or fail to take the oath or affirmation required under this Act, within the time prescribed, the Council may declare his office vacant and fill the vacancy as provided in Section Eleven of this Act.

**SECTION 19. PRESIDING OFFICER.**

The Council shall be presided over at its meetings by the Mayor, or in his absence, by the Mayor Pro Tem., who shall be chosen annually by a majority of the Council present at the first meeting of said Council, from the members of the Council after the election and qualification; and such Mayor Pro Tem., shall in the absence of the Mayor, have all the powers and perform all the duties of the Mayor.

**SECTION 20. JOURNAL OF COUNCIL.**

The Council shall cause to be kept, in a well-bound book, an accurate record of all its proceedings, bylaws, acts and orders, which shall be fully indexed, and open to the inspection of citizens of the Town. The proceedings of each meeting shall be read and corrected at the succeeding meeting, and signed by the person presiding for the time being. Upon the call of any member the yeas and nays shall be called and recorded in the journal. In all cases of a tie the person presiding at the time shall have the casting vote.

**SECTION 21. POWERS OF COUNCIL.**

The Council shall have power to open and grade new streets and extend, widen, straighten, repair and grade old streets and alleys; to curb and pave streets, sidewalks and gutters for public use, and to alter, improve and light the same, and shall have control of all the avenues for public use in said Town; to have the same kept in good order and free from obstructions on or over them; to regulate and determine the width of all streets, sidewalks and public alleys; to order and direct the curbing and paving of all sidewalks and footways for public use in said town, to be done and kept in good order by the owners or occupants of the adjacent property; to control the construction and repair of all houses, bridges and culverts; the opening and construction of all ditches, drains and gutters; to widen, deepen and clear the same of stagnant water and filth and to determine at whose expense the same shall be done; to purchase, lay off and appropriate public grounds and control the use of the same; to provide, contract for and take care of all public buildings proper to the Town; to provide for the regular building of houses or other structures; to cause the removal of unsafe walls or buildings; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome; to abate or cause to be abated anything which, in the opinion of the majority of the whole Council, shall be a nuisance; to regulate the keeping of gunpowder and other combustibles and explosives; to provide in or near the Town places for the burial of the dead, and regulate the interments in the Town, and provide ornamental trees; to provide for making division fences, and for the draining of lots by proper drains and ditches; to make regulations for guarding against danger or damages from fire;

to provide for the poor of the Town; to organize one or more fire companies, and provide the necessary apparatus, tools, implements, engines, or any of them, for their use; to provide a sufficient revenue for said Town, and appropriate the same to its expenses; to issue bonds of the corporation and make sale thereof, but no such bonds shall be sold by said corporation for less than par, nor bearing a higher rate of interest than six percent per annum; nor shall said corporation be indebted on account of such issue at any period in a greater sum than ten thousand dollars without the consent of a majority of the voters of the Town expressed at an election held for that purpose; nor shall the whole indebtedness of said Town at any time ever exceed the sum of one hundred thousand dollars; to provide for the annual assessment of taxable persons and property in the Town; to adopt rules for the transaction of business and for the government and regulation of its own body; to promote the general welfare of the Town, and to protect the persons and the property of the citizens therein; to appoint the officers authorized by Section Sixteen of this Act, fix their terms of service and compensation, require and take from them bonds, with such sureties and in such penalties as the Council may determine, conditioned for the true and faithful discharge of their duties, and remove them at pleasure; but all bonds taken by the Council shall be made payable to the Town by its corporate name; to provide for and regulate the weighing of hay, coal, wood and other articles sold or for sale in said Town, and to regulate the transportation thereof through the streets; to establish and regulate markets, or prescribe the time for holding the same, and what articles shall be sold only in said markets; to protect places of divine worship; to lay off the Town into four or more wards, prescribing the boundaries of said wards; but should any change in the boundaries of the wards be made; the new wards shall be equal in population as nearly as possible; to appoint and publish the places of holding Town elections; to erect or authorize or prohibit the erection of gas works in or near the Town; to prevent injuries to, and provide protection of the same; to provide for the purity of the water and the healthfulness of the town; for all of which purposes except that of taxation, the Council shall have jurisdiction for one mile beyond the corporate limits of said Town; to prescribe and enforce ordinances for the purpose of protecting the health, decency, morality and order of the Town and its inhabitants, and to punish violators of such ordinances, even if the offenses under and against such ordinances shall also constitute offenses under the laws of the State of West Virginia, or the common law, for which purpose also the jurisdiction of said Town shall extend for one mile beyond the corporate limits thereof.

#### SECTION 22. POWER TO REPAIR SIDEWALKS, ETC.

If the owner or occupant of any sidewalk, footway, gutter or pavement in said Town, or of the real property next adjacent thereto, shall fail or refuse to curb, pave or keep the same clean, in the manner and within the time required by the Council, it shall be the duty of the Council to cause the same to be done at the expense of the said Town and to assess the amount of such expense upon such owner or occupant, and the same may be collected by the Town sergeant in the manner herein provided for the collection of Town taxes.

SECTION 23. GENERAL POWERS.

To carry into effect these enumerated powers, and all other powers conferred upon the said Town, or its Council, expressly or by implication, by this or any future act of the legislature of this State, the Council shall have power to make, pass and enforce all needful orders, bylaws, ordinances, resolutions, rules and regulations, not contrary to the Constitution and laws of this State; and to prescribe and impose reasonable fines, penalties, and imprisonment in the County jail for a term not exceeding thirty days, for violations thereof. Such fines, penalties and imprisonment shall be recovered and enforced under the judgment of the Mayor of said Town, or the person lawfully exercising the functions of Mayor. And the authorities of said Town may, with the consent of the County Court of Jefferson County, entered of record, use the jail of said County for any purposes for which the use of a jail may be needed by them, under the acts of the Council or of the State.

SECTION 24. ANNUAL ESTIMATE.

The Council shall cause to be made up annually and entered upon its journal an accurate estimate of all sums which are or may become lawfully chargeable on said Town, and which ought to be paid within one year, and it shall order a Town levy of so much, in its opinion, as may be necessary to pay the same; provided, however, that the tax rate shall not exceed thirty-five cents on the one hundred dollars, except where it appears to the satisfaction of the Council that a levy of thirty-five cents on each one hundred dollars will not produce sufficient revenue in any one year to pay current expenses, the interest on the bonded indebtedness of the Town, and provide for a sinking fund sufficient to liquidate such bonded indebtedness within the time prescribed by law; and in such case, the Council may, by a vote of a majority of all members elected to the Council, increase such tax rate to such a rate, not exceeding fifty cents on the one hundred dollars, as may be necessary for the purpose aforesaid. All vacant property embraced in the proposed boundaries of the said Town, beyond the old limits of the Town, shall be subject only to such taxation for the benefit of said Town, as is levied upon other property for county and district purposes, and until the said vacant property shall be divided into lots for building purposes, and offered for sale as such, and until the streets of the said Town shall be opened for the use and accommodation of the same.

SECTION 25. ANNUAL LEVY.

The levy so ordered shall be upon all male persons resident of said Town over the age of twenty-one years, dogs, and all real and personal estate within the said Town, subject to State or County taxes; provided, that the tax so levied upon persons does not exceed two dollars per head.

SECTION 26. LICENSES.

Whenever anything for which a State license is required is to be done within the said Town, the Council may require a Town license therefor, and may impose a tax thereon for the use of the Town. The Council may require from the persons so licensed a bond with sureties, payable to the Town, in such penalties and with such conditions as it may think proper, and may revoke such license at any time, after due notice and a hearing thereon, if the conditions of said bond be broken.

**SECTION 27. ASSESSOR.**

It shall be the duty of the Assessor to make an assessment of the persons, dogs, and property within said Town subject to taxation, substantially in the manner and form in which such assessments are made by the Assessor of the County, and to return the same to the Council on or before the first day of July in each year; and for this purpose he shall have all the powers conferred by law upon the County Assessor. He shall receive a compensation for his services to be fixed by the Council, which shall not be increased or diminished during his continuance in office.

**SECTION 28. SERGEANT.**

The Sergeant shall have power to collect the Town taxes, fines, and levies, and shall have power one month after he receives the books of the Assessor of said Town, to distrain and sell therefor, in like manner as the Sheriff may distrain and sell for State taxes, and shall in all other respects have the same powers as a Sheriff to enforce the payment and collection thereof; and the said Sergeant shall have power, within the corporate limits, to exercise all the duties of a constable as a conservator of the peace, and he shall be entitled to the same compensation therefor. Upon the conviction of any person arrested by him, for the violation of any of the ordinances of the Town, he shall be entitled to one dollar for such arrest, to be taxed in the costs against the person so convicted, and he and his sureties shall be liable to all fines, penalties and forfeitures that a constable is legally liable to, for any failure or dereliction in his said office, to be recovered in the same manner and before the same courts that said fines, penalties, and forfeitures are now recoverable against constables.

**SECTION 29. LIEN ON REAL ESTATE FOR TAXES.**

There shall be a lien upon real estate within said corporation for the Town taxes assessed thereon, from the commencement of the year in which they are assessed, and for all other assessments, fines and penalties assessed or imposed upon the owners thereof by the authorities of the Town, from the time the same are so assessed or imposed, which liens shall be enforced by the Council in the same manner as the lien for taxes for county purposes is now enforced or by suit in equity in the circuit court of Jefferson County. The lien aforesaid shall have priority over all other liens, except that for taxes due the State.

**SECTION 30. PROHIBITION OF SHOWS.**

The Council may prohibit any theatrical or other performance, show or exhibition which it may deem injurious to the morals or good order of the Town.

**SECTION 31. BONDS OF SERGEANT AND TREASURER.**

The Council shall have the power to require and take from the sergeant and treasurer bonds, with sureties satisfactory to the Council, in such penalty as it may deem sufficient, except that as to the sergeant it shall not be for a penalty less than two thousand five hundred dollars; and said bond shall be conditioned for the true and faithful performance of his duties as sergeant, and for the collecting and accounting for and payment of the taxes, fines and other moneys of the Town which shall come into his hands, or which it shall be his duty to collect, at such times and to such persons as the Council may order.

The Treasurer's bond shall be conditioned for the true and faithful performance of his duties as Treasurer, and that he will faithfully pay over and account for all moneys that shall come into his hands as Treasurer, when and as he shall be thereto required by the Council.

#### SECTION 32. MAYOR; POWERS, DUTIES, ETC.

The Mayor shall be the chief executive officer of the Town, and shall take care that all bylaws, ordinances and orders of the Council are faithfully executed. He shall be ex officio a conservator and justice of the peace within said Town, and shall, within the same, exercise all the powers and duties vested in justices, except that he shall have no jurisdiction as such in civil cases. He shall have control of the police of the Town, and may appoint special police officers whenever he deems it necessary; and it shall be his duty especially to see that the peace and good order of said Town are preserved, and that the persons and property therein are protected; and to this end he may cause the arrest and detention of all riotous and disorderly persons in said Town before issuing his warrant therefor. He shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof, and in default of such payment he may commit the party in default to the jail of Jefferson County until the fine or penalty and costs shall be paid, to be employed during the term of his imprisonment as hereinafter provided; but the term of imprisonment in such case shall not exceed thirty days. He shall, from time to time, recommend to the Council such measures as he may deem needful to the welfare of the Town. He may receive a compensation for his services, to be fixed by the Council, which shall not be increased nor diminished during the term for which he was elected.

#### SECTION 33. CLERK; HIS DUTIES AND COMPENSATION.

It shall be the duty of the Clerk to keep the journal of the proceedings of the Council, and to have charge of and preserve the records, papers, documents, contracts, etc., of the Town. He shall attend the Mayor in all his examinations, issue his orders, swear witnesses, and perform all the duties of a Clerk in the Council and Mayor's Court. He shall receive such compensation for his services as may be fixed by the Council, which shall not be increased nor diminished during his term of office.

#### SECTION 34. SERGEANT; HIS DUTIES, LIABILITIES AND COMPENSATION.

It shall be the duty of the Town Sergeant to collect the taxes, fines and other income and revenue of the Town, as specified in his bond, and to account for and pay the same to the Treasurer at such times as the Council may order. And it shall be his duty, at least once in every three months, and oftener if required by the Council, to render an account of the taxes, fines and other claims in his hands for collection, and return a list of such as he shall have been unable to collect by reason of insolvency, to which list he shall make an oath that he has used due diligence to collect the same, but has been unable to do so. The Council shall, if it be satisfied that he could not have collected the same by the use of due diligence, allow them. But if the Council shall be of opinion that by the use of due diligence on the part of said Sergeant he could have collected the same, or any part thereof, then he shall be

charged with such as he might have collected. The said Sergeant shall do and perform all other acts pertaining to the office of Sergeant of a corporation, and of a police officer within said Town, and as such shall have the same powers, duties, fees and liabilities as are by law prescribed for a constable when acting as such. He shall for his services receive such compensation as shall be fixed by the Council.

#### SECTION 35. TREASURER.

All moneys belonging to said Town shall be paid over to the Treasurer, none of which shall be paid out by him except as the same have been apportioned and ordered to be paid by the Council; and the said Treasurer shall pay the same upon the certificate of the Mayor.

#### SECTION 36. MOTION AGAINST TREASURER.

If the Treasurer shall fail to account for and pay over all or any moneys that shall come into his hands, when thereto required by the Council, it shall be lawful for the Council, in the corporate name of the town, by motion before the circuit court of Jefferson County, or any court having jurisdiction, after ten days' previous notice, to recover from the treasurer and his sureties, or their personal representative, any sum that may be due from said treasurer to said town.

#### SECTION 37. MOTION AGAINST SERGEANT.

If the Sergeant shall fail to collect, account for and pay over all the taxes, fines and other revenue of the Town in his hands for collection, according to the conditions of his bond, it shall be lawful for the Council to recover the same by motion, in the corporate name of the Town, in the same manner and before the same courts as provided against the Treasurer in Section Thirty-Six of this Act.

#### SECTION 38. COMMISSIONER OF STREETS.

It shall be the duty of the Commissioner of Streets to superintend the opening, construction and repair of the roads, streets and alleys, sidewalks, crosswalks, footways, drains, and gutters within the said Town, and to put and keep the same in good repair, and to carry into execution all the resolutions, orders and ordinances of the Council in relation thereto.

#### SECTION 39. EXEMPTION FROM ROAD AND POOR TAX.

The said Town, and the taxable persons and property therein, shall be exempt and free from the payment of any poor taxes or ordinary road tax, and from contributing to any county expenses for the poor and the ordinary roads and bridges of said County, outside of the corporate limits of the said Town, for any year in which said Town shall, at its own expense, provide for its own poor and keep its streets and bridges in order.

**SECTION 40. HITCHING YARD.**

The Municipal authorities of the Town shall have power to provide, maintain and operate a hitching yard for the use of the public, and to this end may acquire by purchase, condemnation or otherwise, a sufficient amount of real estate, either within or without the corporate limits. It is authorized to make reasonable rules and regulations for the use of the same, including the rights to make reasonable charges against persons using and occupying it; to erect suitable buildings and sheds thereon; to keep the same clean; to provide a watchman or caretaker, and to prescribe his powers, duties and compensation, taking from him such bond as may be thought proper. The County Court of Jefferson County is hereby authorized to appropriate such sums annually as it may think proper for the purpose of maintaining in connection with the authorities of the Town of Charles Town such hitching yard. Should said County Court make such appropriation, rules and regulations respecting the use thereof shall be prescribed by a joint committee of the County Court of Jefferson County and the Council of the corporation of Charles Town. The amount of the appropriation by the County Court in each year shall not be less than one hundred nor more than five hundred dollars.

**SECTION 41. FORMER TOLL ROADS WITHIN THE CORPORATE LIMITS.**

Nothing contained in this Act shall be deemed to place upon the corporation of Charles Town the duty of maintaining and keeping in good order and repair, and covered with gravel such streets and roads within the corporate limits as were formerly toll roads or turnpikes, the duty to maintain which and keep in good order and repair and covered with gravel; is placed upon the County Court by the acts of the legislature of one thousand nine hundred and three, one thousand nine hundred and seven and one thousand nine hundred and nine. The County Court of Jefferson County may, however, upon the request of the Council of the corporation of Charles Town surrender its jurisdiction and control of any or all of such roads or streets within the corporate limits to the corporation of Charles Town; and in such case, the duty of maintaining such streets, and keeping them in good order and repaired and covered with gravel, shall be placed upon the corporation of Charles Town; and in such case the county court of Jefferson County shall pay to the corporation of Charles Town annually such amounts as may be expended by it in maintenance of such roads and streets; or the said County Court of Jefferson County may, at its option, pay to the corporation of Charles Town such lump sum as may be agreed upon between them, in consideration of the corporation of Charles Town assuming jurisdiction of such roads and streets, and becoming liable for their upkeep, maintenance and repair, as aforesaid.

**SECTION 42. OTHER PROVISIONS OF LAW APPLICABLE.**

The corporation of Charles Town, except as is herein otherwise provided, shall have all the powers, rights and privileges, and be entitled to all the benefits now conferred on municipal corporations by West Virginia Code 8-11-1 et seq. or which may hereafter be granted to municipal corporations by general law.

**SECTION 43. RIGHTS RESERVED.**

All rights, privileges and properties of the said Town, heretofore acquired and possessed, owned and enjoyed by said Town under any act now in force, shall continue undiminished and remain vested in said Town under this Act; and all laws, ordinances and resolutions of the council now in force and not inconsistent with this Act shall be and continue in full force and effect until regularly repealed by a Council elected as provided under this Act.

**SECTION 44. DUTIES OF THE COUNCIL.**

The Council shall adopt all needful and just ward regulations, whether general or special, for the good of the citizens thereof. It shall authorize street expenditures in the several wards as equity and justice shall demand; and may authorize the collection of a special tax in any ward of the Town, for a specified purpose within such ward, when requested to do so by a majority of the voters thereof. Whenever in the opinion of the Council it becomes necessary to lay off said Town into more than four wards, the said Council shall lay it off.

**SECTION 45. PRISONERS; HOW EMPLOYED.**

The Council shall provide for the employment and safekeeping of persons who may be committed for default in payment of fines, penalties, or costs under this Act, and who are otherwise unable to discharge the same, by putting them to work for the benefit of the Town; shall keep on hand an ample supply of necessary material for the same, and shall provide all necessary tools, implements, fixtures, and facilities for the immediate employment of any and all of such persons; shall fix a reasonable rate per diem as wages to be allowed every person, until such fine and costs against him are discharged; and the clerk shall keep an account of all fines and penalties so collected and expended.

**SECTION 46. OPENING STREETS.**

The Council of said corporation shall be entitled to all the benefits of West Virginia Code 54-1-1 to 54-2-20 for the condemnation of land for streets, alleys and public buildings in said corporation, and the Commissioners appointed under said chapter shall in cases of opening streets or alleys or in widening the same, not only assess what is a just compensation as provided in said chapter, but they shall also assess the damages and benefits to all lot owners or property holders having lots or land adjacent to and abutting on said street or alley, whose lot or land may be benefited or injured by the opening of such street or alley or by the widening of any such street or alley, and shall make report as provided in said chapter, but lot owners and property holders shall be named in the application and served with notice as required by said chapter, and the duties of such Commissioners and their oaths shall cover the duties herein imposed. All assessments for benefits under this Act shall be a lien on the property against which the same are assessed, and may be enforced in a court of equity. But either party to such assessment of damages or benefits shall have the right to call for a jury as provided in said chapter.

Post-It Fax Note	7671	Date	5/19/98	# of Pages	1
To	Vince Collins	From	Joni Forrest		
Call Back			Call at 7671		

AMENDMENT TO THE CHARTER OF THE  
CITY OF CHARLES TOWN, WEST VIRGINIA  
WITH REGARD TO SECTION 8. TERMS OF OFFICE

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 8, TERMS OF OFFICE of the Charter of the city of Charles Town be AMENDED pursuant to West Virginia Code 8-4-8, as follows:

SECTION 8. TERMS OF OFFICE.

Their term of office shall be (except when to fill vacancies) for four years, and until their successors elected and qualified, as herein provided; except that the election to be held the fourth Thursday in May, nineteen hundred ninety nine, there shall be one Councilperson from the first, second, third and fourth wards, their terms of office shall be for four years.

Bi-annually thereafter, on the fourth Thursday of May, there shall be elected one Councilperson from each ward, to be voted for throughout the town as hereinbefore provided. The Mayor shall be elected on the fourth Thursday in May, 2001 and every four years thereafter on such Thursday. The Mayor and members of Council elected in May, 1998, shall continue in office until their successors are elected in May, 2001.

BE IT ORDAINED that this Charter Amendment shall take effect and be in full force as provided by West Virginia Code 8-4-8.

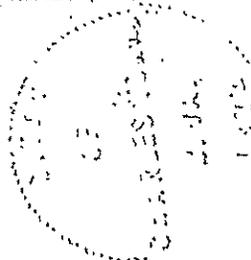
CITY OF CHARLES TOWN

By: J. Randolph Hilton  
Mayor J. Randolph Hilton

Attest:

Gregory S. Hamilton  
Clerk

Date of Public Hearing: September 8, 1998  
Enacted/Passed: September 21, 1998



02-19

RESOLUTION NO. 02-08

A RESOLUTION PROMULGATING RULES OF THE COMMON COUNCIL OF THE CITY OF CHARLES TOWN IN ACCORDANCE WITH WEST VIRGINIA STATE CODE §6-9A-3, *Proceedings to be open; public notice of meetings.*

The Common Council of the City of Charles Town recognizes the right of each citizen to be heard before the Council and;

WHEREAS, the Common Council of the City of Charles Town hereby finds and states the following declaration of policy in accordance with West Virginia State Code §6-9A-1:

That public agencies in this City exist for the singular purpose of representing citizens of this City in governmental affairs, and it is, therefore, in the best interests of the people of this City for the proceedings of public agencies be conducted openly, with only a few clearly defined exceptions. The Common Council hereby further finds and declares that the citizens of the City do not yield their sovereignty to the governmental agencies that serve them. The people in delegating authority do not give their public servants the right to decide what is good for them to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments of government created by them.

Open government allows the public to educate itself about government decision-making through individuals' attendance and participation at government functions, distribution of government information by the press or interested citizens, and public debate on issues deliberated within the government.

Public access to information promotes attendance at meetings, improves planning of meetings, and encourages more thorough preparation and complete discussion of issues by participating officials. The government also benefits from openness because better preparation and public input allow government agencies to gauge public preferences accurately and thereby tailor their actions and policies more closely to public needs. Public confidence and understanding ease potential resistance to government programs.

Resolution No. 02-08

Accordingly, the benefits of openness inure to both the public affected by governmental decision-making and the decision makers themselves. The Common Council finds, however, that openness, public access to information and a desire to improve the operation of government do not require nor permit every meeting to be a public meeting. The Common Council finds that it would be unrealistic, if not impossible, to carry on the business of government should every meeting, every contact and every discussion seeking advice and counsel in order to acquire the necessary information, data or intelligence needed by a governing body were required to be a public meeting. It is the intent of the Common Council to balance these interests in order to allow government to function and the public to participate in a meaningful manner in public agency decision-making.

WHEREAS, the Common Council of the City of Charles Town intends to adhere to West Virginia State Code §6-9A-3, *Proceedings to be open; public notice of meeting*, that states in part:

Any governing body may make and enforce reasonable rules and regulations for attendance and presentation at any meeting where there is not room enough for all members of the public who wish to attend. This article does not prohibit the removal from a meeting of any member of the public who is disrupting the meeting to the extent that orderly conduct of the meeting is compromised; Provided, That persons who desire to address the governing body may not be required to register to address the body more than fifteen minutes prior to time the scheduled meeting is to commence.

WHEREAS, the Common Council of the City of Charles Town intends to adhere to West Virginia State Code §6-9A-3, *Proceedings to be open; public notice of meeting*, that further states in part:

Each governing body shall promulgate rules by which the date, time, place and agenda of all regularly scheduled meetings and the date, time, place and purpose of all special meetings are made available, in advance, to the public and news media, except in the event of an emergency requiring immediate official action.

WHEREAS, the Common Council of the City of Charles Town by this Resolution shall establish and enforce as reasonable regulations the following:

1. To constitute a meeting, the Common Council hereby finds that a meeting is the convening of any public agency for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter that results in an official action.

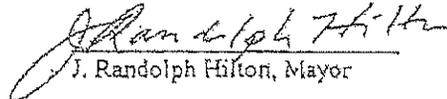
Resolution No. 02-08

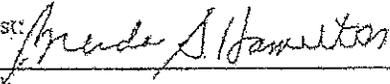
2. That when a governing body holds regular meetings every two weeks, or less frequently, a meeting agenda should be made available to the media and public at least three days in advance of the meeting. In calculating the three-day notice period, Saturdays, Sundays, and legal holidays are not counted. The governing body can amend an agenda that was issued three or more days in advance of a meeting, to add additional items that were not known when the agenda was first issued. However, this amended agenda must be made available at least two days in advance of the meeting. Notices required herein shall be placed on the public notice board at 105 S. George Street, Charles Town, WV.
3. That the right of each citizen to be heard before the Council shall be for an initial period of five minutes. Council may upon motion extend this time period with regard to complex subject matter. That persons who desire to address the governing body shall register to address the body fifteen minutes prior to the time the scheduled meeting is to commence.
4. This Resolution shall not be construed to prohibit the removal from a meeting of any member of the public who is disrupting the meeting to the extent that orderly conduct of the meeting is compromised.
5. All Boards and <sup>Commissions</sup> ~~Committees~~ of the City of Charles Town shall comply with this Resolution.
6. In keeping with past practice and procedure, the standing committees of the Common Council shall not require a quorum to meet.
7. Exceptions set forth in West Virginia State Code §6-9A-4 are applicable herein.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Charles Town in Jefferson County of the State of West Virginia hereby proclaims this Resolution a promulgation of rules in accordance with West Virginia State Code §6-9A-3. *Proceedings to be open: public notice of meeting.*

ADOPTED by the City of Charles Town at its regular meeting this 15<sup>th</sup> Day of July, 2002

CITY OF CHARLES TOWN

  
J. Randolph Hilton, Mayor

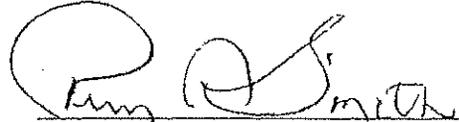
Attest:   
Clerk

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Peggy A. Smith**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Peggy A. Smith**, do solemnly swear that I will faithfully discharge and  
~~perform the duties of the position of Mayor for the City of Charles Town,~~  
to the best of my skill and judgment, and according to law. So help me God.

  
Peggy A. Smith

The above oath was taken and subscribed before Joseph L. Cosentini, Clerk for the City of Charles Town, on this 15<sup>th</sup> day of June, 2009

  
Joseph L. Cosentini, City Clerk

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Ruth McDaniel**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Ruth McDaniel**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember Ward I for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.

  
Ruth McDaniel

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 8<sup>th</sup> day of June, 2007.

  
Peggy A. Smith, Mayor

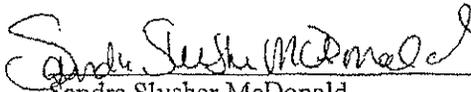
State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Sandra Slusher McDonald**, do solemnly swear that I will support the  
Constitution of the United States and the Constitution of the State of West Virginia.

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I, **Sandra Slusher McDonald**, do solemnly swear that I will faithfully discharge  
and perform the duties of the office of **Councilmember, Ward I, for the City of Charles  
Town**, to the best of my skill and judgment, and according to law. So help me God.

  
Sandra Slusher McDonald

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 15<sup>th</sup> day of June, 2009.

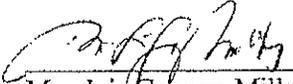
  
Peggy A. Smith

State of West Virginia,

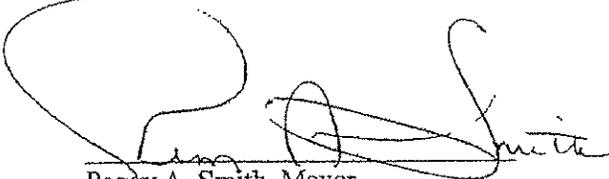
COUNTY OF JEFFERSON, SCT.

I, **Marylois Gannon-Miller**, do solemnly swear that I will support the  
Constitution of the United States and the Constitution of the State of West Virginia.

I, **Marylois Gannon-Miller**, do solemnly swear that I will faithfully discharge  
And perform the duties of the office of **Councilmember Ward II for the City of**  
**Charles Town**, to the best of my skill and judgment, and according to law. So help me  
God.

  
\_\_\_\_\_  
Marylois Gannon-Miller

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 8<sup>th</sup> day of June, 2007.

  
\_\_\_\_\_  
Peggy A. Smith, Mayor

State of West Virginia,

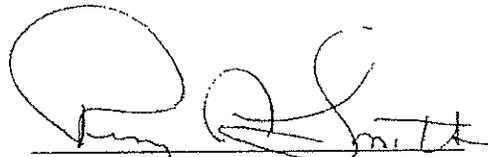
COUNTY OF JEFFERSON, SCT.

I, **Chester A. Hines**, do solemnly swear that I will support the Constitution of the  
~~United States and the Constitution of the State of West Virginia.~~

I, **Chester A. Hines**, do solemnly swear that I will faithfully discharge and  
perform the duties of the office of **Councilmember, Ward II, for the City of Charles  
Town**, to the best of my skill and judgment, and according to law. So help me God.

  
Chester A. Hines

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 15<sup>th</sup> day of June, 2009.

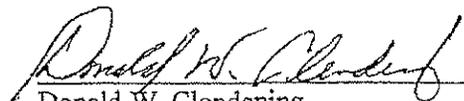
  
Peggy A. Smith

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Donald W. Clendening**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Donald W. Clendening**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember, Ward III, for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.

  
Donald W. Clendening

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 15<sup>th</sup> day of June, 2009.

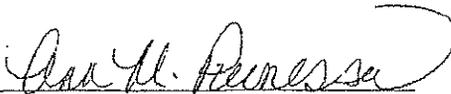
  
Peggy A. Smith

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Ann Paonessa**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Ann Paonessa**, do solemnly swear that I will faithfully discharge and perform the duties of the office of Councilmember Ward III for the City of Charles Town, to the best of my skill and judgment, and according to law. So help me God.

  
Ann Paonessa

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 8<sup>th</sup> day of June, 2007.

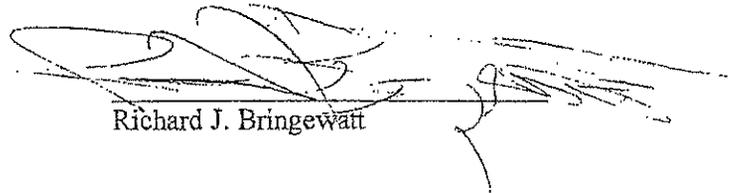
  
Peggy A. Smith, Mayor

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

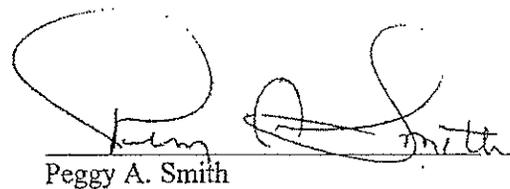
I, **Richard J. Bringewatt**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Richard J. Bringewatt**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember, Ward IV, for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.



Richard J. Bringewatt

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 15<sup>th</sup> day of June, 2009.



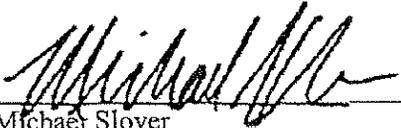
Peggy A. Smith

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Michael Slover**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Michael Slover**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember Ward IV for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.

  
Michael Slover

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,  
on this 2<sup>nd</sup> day of July, 2007.

  
Peggy A. Smith, Mayor

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEWERS

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 921.18, Sewer Service Rates be AMENDED as follows:

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.

(b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

ESTABLISHMENT OF A SCHEDULE OF JUST AND  
EQUITABLE RATES OR CHARGES FOR SEWER SERVICE:  
USE OF WATER METERS: PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

2010 JAN 28 AM 8 21  
WV PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

RECEIVED

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served including the entire area known as the Huntfield subdivision and immediately upon the completion of the Tuscawilla Wastewater Project to a 0.5 MGD facility.

AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service.

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	\$12.52 per 1,000 gallons
Next	8,000 gallons used per month	9.02 per 1,000 gallons
Next	20,000 gallons used per month	8.18 per 1,000 gallons
All over	30,000 gallons used per month	7.25 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$25.05 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$47.59 per month

RESALE RATE

\$5.84 per 1,000 gallons per month

RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

RECEIVED  
2010 JAN 26 AM 8 22  
JEFFERSON COUNTY PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on December 7, 2009, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading:      October 19, 2009

Passed on Second Reading  
(following Public Hearing):    December 7, 2009

BY:   
MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on October 19, 2009, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on December 7, 2009 at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

BY:   
CITY CLERK

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2010 JAN 26 AM 8 22  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

5

# Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher  
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. November 19, 2009 20  

I hereby certify that the annexed Notice

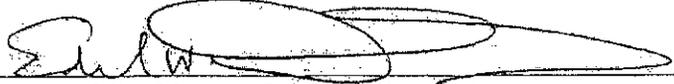
in the case of Amendment to Codified Codes of City of Charles Town; Chapter Three

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

November 19 and November 26, 2009, 20  ,

as required by law.

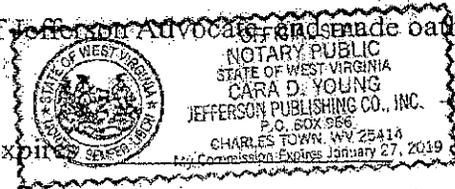
  
\_\_\_\_\_  
Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia

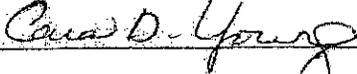
County of Jefferson

Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.



Commission expires

  
\_\_\_\_\_  
Notary Public

RECEIVED  
2010 JUN 26 AM 8 22  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

**AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEWERS**

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 921.18, Sewer Service Rates be AMENDED as follows:

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.

(b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

**ESTABLISHMENT OF A SCHEDULE OF JUST AND EQUITABLE RATES OR CHARGES FOR SEWER SERVICE: USE OF WATER METERS: PROVISION FOR FLAT RATE**

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

**II. MULTIPLE OCCUPANCY**

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

**SCHEDULE I  
APPLICABILITY**

Applicable within the entire territory served including the entire area known as the Huntfield subdivision and immediately upon the completion of the Tuscarwilla Wastewater Project to a 0.5 MGD facility.

**AVAILABILITY**

Available for general domestic, commercial and industrial service and sale for resale sewer service.

**RATES (Customers with a metered water supply)**

First 2,000 gallons used per month	\$12.52 per 1,000 gallons
Next 8,000 gallons used per month	9.02 per 1,000 gallons
Next 20,000 gallons used per month	8.18 per 1,000 gallons
All over 30,000 gallons used per month	7.25 per 1,000 gallons

**MINIMUM CHARGE**

No bill shall be rendered for less than \$25.05 per month, which is the equivalent of 2,000 gallons.

**FLAT RATE CHARGE (Customers with non-metered**

**RESALE CREDIT (Applicable only to Jefferson County Public Service District)**

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

**DELAYED PAYMENT PENALTY**

The above scheduled is net. On all current bills not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. Delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

**TAP FEE**

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

**RETURNED CHECK CHARGE**

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

**LEAK ADJUSTMENT**

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

**SECURITY DEPOSIT**

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

**STATUTORY NOTICE AND PUBLIC HEARING**

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on December 7, 2009, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading:  
October 19, 2009

Passed on Second Reading

(following Public Hearing):

BY: \_\_\_\_\_ MAYOR

**CERTIFICATION AND NOTICE**

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on October 19, 2009, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on December 7, 2009 at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem appropriate in the premises. The proposed ordinance may be

JEFFERSON COUNTY PUBLIC SERVICE DISTRICT  
NO DIVIDED  
2009 JAN 29 AM 8 22  
W VA PUBLIC SERVICE COMMISSION  
STAFF OFFICE

# Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher  
SPIRIT OF JEFFERSON ADVOCATE

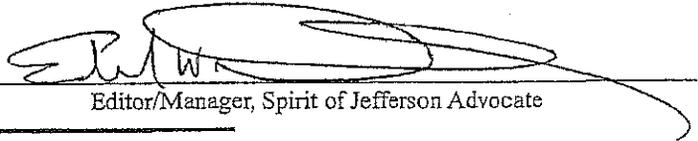
Charles Town, W. Va. December 17, 2009 20  

I hereby certify that the annexed Public Notice

in the case of Change in Rates; City of Charles Town

has been published once a week for two successive weeks, in the Spirit of Jefferson Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of December 17 and December 24, 2009, 20  ,

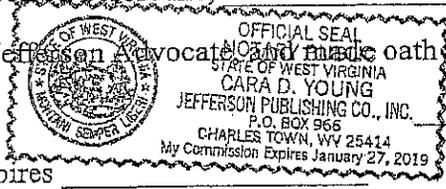
as required by law.

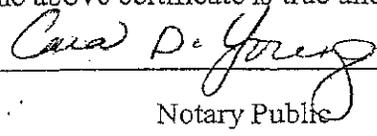
  
Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia  
County of Jefferson

Personally appeared before me, Edward W. Dockenev, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, who made oath that the above certificate is true and correct.



  
Notary Public

Commission expires \_\_\_\_\_

RECEIVED  
2010 JUN 26 PM 8 22  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

PUBLIC NOTICE OF CHANGE IN RATES BY  
THE CITY OF CHARLES TOWN

NOTICE is hereby given that the City of Charles Town (the "City"), has adopted by ordinance on December 7, 2009, a tariff containing increased sewerage rates and charges for furnishing sewerage service to 2,628 customers at Charles Town and vicinity in the County of Jefferson, West Virginia.

The proposed increased rates and charges will become effective upon completion of the Tuscowilla sewerage system upgrade project, estimated completion date of June 2011, unless otherwise ordered by the Public Service Commission and will produce approximately \$1,175,590 annually in additional revenue, an increase of 57.4%. The average monthly bill for the various classes of customers will be changed as follows:

	(\$)	INCREASE	INCREASE (%)
Residential			
(4,500 gallons)	\$ 17.35		57.4%
Commercial			
(4,500 gallons)	\$ 17.35		57.4%
Resale			
(4,500 gallons)	\$ 9.58		57.4%

Resale customers of the City include Jefferson County Public Service District and the City of Ranson.

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 by not less than twenty-five percent of the customers served by the City's sewerage system; or

(2) Any customer who is served by the City's sewerage system 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 City's 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 City's 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 utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the City Hall, Charles Town, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

By: /s/ Joseph Cosentini  
City Clerk

SECRETARY'S OFFICE  
COMMISSION  
W VA PUBLIC SERVICE

2010 JAN 26 AM 8 23

12/17/2009

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Tariff Form 12  
PUBLIC NOTICE OF  
CHANGE IN RATES BY  
THE CITY OF CHARLES  
TOWN

NOTICE is hereby given that the City of Charles Town (the "City") has adopted by ordinance on December 7, 2009, a tariff containing increased sewerage rates and charges for furnishing sewerage service to 2,628 customers at Charles Town and vicinity in the County of Jefferson, West Virginia.

The proposed increased rates and charges will become effective upon completion of the Tuscarwilla sewerage system upgrade project, estimated completion date of June 2011, unless otherwise ordered by the Public Service Commission and will produce approximately \$1,175,590 annually in additional revenue, an increase of 57.4%. The average monthly bill for the various classes of customers will be changed as follows:

**Residential**  
(4,500 gallons)  
(\$)  
INCREASE \$17.35  
INCREASE (%) 57.4%

**Commercial**  
(4,500 gallons)  
(\$)  
INCREASE \$17.35  
INCREASE (%) 57.4%

**Resale**  
(4,500 gallons)  
(\$)  
INCREASE \$9.56  
INCREASE (%)

57.4%  
Resale customers of the City include Jefferson County Public Service District and the City of Ranson.

The increases shown are based on average 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 (increase or decrease) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon its 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 by not less than twenty-five percent of the customers served by the City's sewerage system; or
- (2) Any customer who is served by the City's sewerage system 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 City's 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 City's 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 utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the City Hall, Charles Town, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

By: /s/ Joseph Cosentino  
City Clerk

12-18-25 (21)

### Certificate of Publication

This is to certify the annexed advertisement

Steptoe & Johnson  
Public Notice

appeared for 2 consecutive days/weeks  
in the Shepherdstown Chronicle, a newspaper  
published in the City of Shepherdstown, WV

in its issue beginning:

12-17-09

and ending:

12-24-09

The Shepherdstown

Chronicle

P.O. Box 2088

Shepherdstown, WV 25443-2088

Fee \$ 160.20

THE STATE OF WEST VIRGINIA

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me

this Dec 28-09 by

*Carol Bush*

My commission expires Apr 29 2018

Notary Public Carol Bush



OFFICIAL SEAL  
STATE OF WEST VIRGINIA  
NOTARY PUBLIC  
Carol Bush  
23 Armstrong Way  
Martinsburg, WV 25403  
My Commission Expires April 29, 2018

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2010 JAN 26 AM 8 23  
PUBLIC SERVICE COMMISSION TARRANTS OFFICE

# Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher  
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. March 27, 2008 2008

I hereby certify that the annexed Notice of Public Hearing

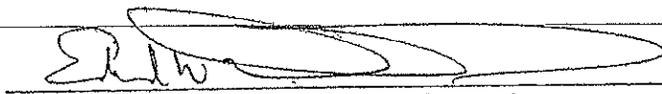
in the case of Water Rate Ordinance

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

March 27 and April 3, 2008, 2008,

as required by law.

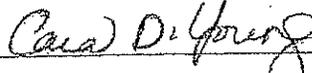
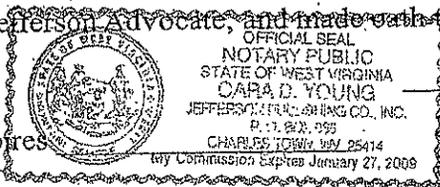


Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia  
County of Jefferson

Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.



Notary Public

Commission expires

RECEIVED  
2008 JUN 5 AM 8 53  
WVA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

200 @  
water

FILED IN THE  
JEFFERSON  
ADVOCATE ON  
WEDNESDAY, April 24, 2008  
AT 11:00 AM AND THE  
SHEPHERDSTOWN  
CHRONICLE ON FRIDAY,  
April 25, 2008 and May 2,  
2008

**PUBLIC NOTICE OF  
CHANGE IN WATER RATES  
OF CITY OF CHARLES  
TOWN**

NOTICE is hereby given that  
City of Charles Town (the  
"City"), on April 15, 2008, has  
adopted an ordinance in-  
creasing the Water Rates for  
the City of Charles Town wa-  
ter system.  
The proposed increase will  
become effective on May 30,  
2008, unless otherwise or-  
dered by the Public Service  
Commission (the "Commis-  
sion") and will produce ap-  
proximately \$567,197.00 an-  
nually in revenue, an increase  
of 23.46%. The increased  
rates will be as follows:

\$ INCREASE	INCREASE %
Residential	
\$ 79,350.00	23.46%
Commercial	
\$ 186,658.00	23.46%
Industrial	
\$ 1203.00	23.46%

The increases shown are  
based on averages of all cus-  
tomers in the indicated class.  
Individual customers may re-  
ceive 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 de-  
creases) by the Public Ser-  
vice Commission in its review  
of this filing. The Commis-  
sion shall review and approve  
or modify the increased rates  
only upon the filing of a peti-  
tion 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 City of Charles  
Town operated utility; or
- (2) Any customer who is  
served by City of Charles  
Town 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 al-  
leging discrimination between  
customers within and without  
the City of Charles Town  
boundaries. Said petition  
shall be accompanied by evi-  
dence of discrimination; or

- (3) Any customer or group of  
customers who are affected  
by said change in rates who  
reside within the City of  
Charles Town corporate bound-  
aries and who present a peti-  
tion to the Commission al-  
leging discrimination between  
said customer or group of  
customers and other custo-  
mers of the City of Charles  
Town utility. Said petition  
shall be accompanied by evi-  
dence of discrimination.

All petitions should be ad-  
dressed to the Executive  
Secretary, Public Service  
Commission of West Virginia,  
201 Brooks Street, P.O. Box  
812, Charleston, West Vir-  
ginia 25323.

A complete copy of the pro-  
posed rates, as well as a  
representative of the utility to  
provide any information re-  
quested concerning it, is  
available to all customers,  
prospective customers, or  
their agents at the office of  
the City Clerk at Charles  
Town City Hall, 101 E. Wash-  
ington St., Charles Town, WV  
and at the office of the Exe-  
cutive Secretary of the Public  
Service Commission at 201  
Brooks Street, P.O. Box 812,  
Charleston, West Virginia  
25323.

4:25:52 2(0)

SECRETARY'S OFFICE  
COMMISSION  
WVA PUBLIC SERVICE

2008 JUN 5 AM 8 53

RECEIVED

# Certificate of Publication

This is to certify the annexed advertisement  
City of Charles Town

## Public Notice

appeared for 2 consecutive days/weeks  
in The Shepherdstown Chronicle, a news-  
paper published in the City of Shepherdstown,  
WV in its issue beginning:

4-25-08

and ending

5-2-08

## The Shepherdstown Chronicle

P.O. Box 2088  
Shepherdstown, WV 25443-2088

Fee\$ 130.57

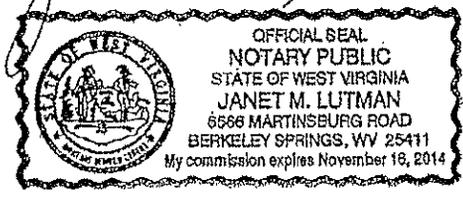
THE STATE OF WEST VIRGINIA  
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged  
before me this 5-12-08 by

B. Kackley

My commission expires April 16, 2014

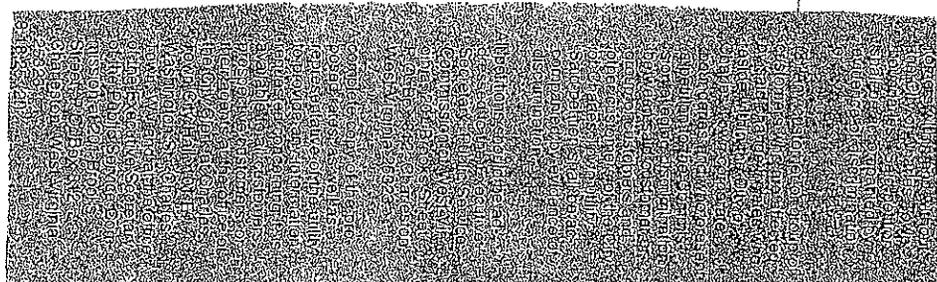
*Janet M. Lutman*  
Notary Public



RECEIVED

2006 SEP 13 AM 8:46

W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE



March 17, 2008

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, March 3, 2008 at 7:00 p.m. The following members of Council were present: Donald W. Clendening, MaryLois Gannon-Miller, Ruth McDaniel, Sandra McDonald, Ann Paonessa, Amy Schmitt, Michael Slover and Geraldine Willingham. Mayor Peggy Smith presided and Joseph Cosentini, City Clerk, took the minutes of the meeting. Also present were Jeremy Camp, Acting City Manager, Tara Hostler, Accounting Manager, and Chief Barry Subelsky.

A motion by Councilwoman McDonald, seconded by Councilwoman McDaniel and the Council unanimously voted to dispense with the reading of the minutes dated March 17, 2008. A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to approve the minutes dated March 17, 2008 with one correction.

---

UNFINISHED BUSINESS

Mayor Smith opened the floor for discussion regarding the second reading of an Annexation Ordinance annexing the real estate known as the Fritts Property and Resolution 2008-06 Acceptance of Conditions of Annexation. Upon discussion, a motion by Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council voted 5-4, with Councilwoman Gannon-Miller, Councilwoman McDaniel, Councilwoman Paonessa and Councilman Slover voting against, to approve the second reading of an Annexation Ordinance annexing the real estate known as the Fritts Property and Resolution 2008-06 Acceptance of Conditions of Annexation as presented and as follows:

AN ORDINANCE ANNEXING THE PROPERTY OF  
J. RUSSELL FRITTS INC. CONTAINING  
98.912 ACRES OF LAND

WHEREAS, West Virginia Code 8-6-4 permits a municipality to, by ordinance, annex additional territory without ordering a vote on the question if (1) a majority of the qualified voters of the additional territory file with the governing body a petition to be annexed and (2) a majority of all freeholders of the additional territory, whether they reside or have a place of business therein or not, file with the governing body a petition to be annexed, and

WHEREAS, J. Russell Fritts Inc. is the owner of the property sought to be annexed and is a West Virginian Corporation, and

WHEREAS, by definition in West Virginia Code 8-6-4(b), J. Russell Fritts Inc. is a qualified voter in the area sought to be annexed, and

WHEREAS, there are no other qualified voters or freeholders in the area sought to be annexed, and

WHEREAS, J. Russell Fritts Inc. constitutes a majority of the qualified voters in the area sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(d) which states if qualified voters of the additional territory sought to be annexed are also freeholders in the additional territory, they may join only and sign **one** petition in the additional territory sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(f) which states if all of the eligible petitioners are qualified voters, then only a voters petition is required, and

WHEREAS, the City of Charles Town has determined that the property sought to be annexed is contiguous and adjacent to the municipal boundary lines of the City of Charles Town pursuant to the description attached to the petition, and

WHEREAS, the property that is sought to be annexed is in the Charles Town District and is shown on the maps of the Charles Town District as Map 9, Parcel 1, and

NOW, THEREFORE, WITNESSETH: That the undersigned, being a majority of the qualified eligible voters of the additional territory sought to be annexed, and the freeholders of the additional territory sought to be annexed, do hereby petition the City of Charles Town to include in its municipal boundaries by annexation, without election, all of that certain parcel of real estate as more particularly described in Exhibit A hereto. This parcel of land is contiguous and adjacent to the municipal boundary.

Dated this 17<sup>th</sup> day of March, 2008.

City of Charles Town  
By: /s/ Peggy A. Smith  
Peggy A. Smith, Mayor

First Read: 03/03/08  
Second Read: 03/17/08

**Resolution 2008-06**

**An Acceptance of Conditions of Annexation for the Fritts Property**

WHEREAS, J. Russell Fritts Inc. presented their petition for annexation of their property to the Mayor and City Council, and

WHEREAS, the said petition for annexation was received and was referred to the Finance Committee of the City for further review and analysis, and

WHEREAS, said Finance Committee has convened, and after review of the information presented to it, has reached certain conclusions and has made recommendations, and

WHEREAS, the petition for annexation was next referred to the City of Charles Town Planning Commission for further review and analysis for its recommendation to Council, and

WHEREAS, at said meeting of the Planning Commission they adopted a recommendation that the property be zoned Neighborhood Residential (NR), and

WHEREAS, through direct negotiation, J. Russell Fritts Inc., the Planning Commission, the Finance Committee, the City Council of the City of Charles Town, and City Staff have compiled a list of conditions of annexation to be made by the developers and property owners which are subject to the annexation for the use and benefit of the City of Charles Town (hereinafter attached to as Exhibit 1: Conditions of Annexation for the Fritts Property), and

NOW, THEREFORE, WITNESSETH: That the property owners of the property known as Prospect Place, and the City of Charles Town agree as follows:

- A. The City will, by ordinance, as provided in §8-6-4 of the West Virginia Code, annexing into the corporate boundaries of Charles Town the territory owned by J. Russell Fritts Inc.
- B. The City will subject the territory so annexed to Neighborhood Residential zoning.
- C. The property owners will offer all terms set forth in Exhibit 1 for the use and benefit of the City of Charles Town upon the terms and conditions herein set forth.
- D. The property owners agree to execute further assurances or agreements as may be required by the City with such assurances and agreements to bind the owners of the property sought to be annexed, their successors and assigns to the conditions of annexation.

NOW, THEREFORE, BE IT RESOLVED; By the City Council of the City of Charles Town, to accept and approve the ordinance for annexation of J. Russell Fritts Inc. and to incorporate the same within the corporate boundaries of the City of Charles Town, pursuant to §8-6-4 of the West Virginia Code.

Dated: March 17, 2008

CITY OF CHARLES TOWN:  
/s/ Peggy A. Smith  
Peggy A. Smith, Mayor

Attest:  
/s/ Joe Cosentini  
City Clerk

CONDITIONS OF ANNEXATION  
FOR PROPERTY OF J. RUSSELL FRITTS, INC.

The Petitioner, J. Russell Fritts, Inc. for property owned by J. Russell Fritts, Inc., herein also referred to as "The Property", "Fritts Property" or similar language, and as identified by Parcel 1, Tax Map 9, Charles Town District, agrees to the following conditions of annexation if the property is annexed into the City of Charles Town, herein also referred to as "The City" and "Charles Town."

Impact statements pertaining to the City of Charles Town Annexation Policy Evaluation Criteria, and all proposed voluntary contributions, submitted as conditions of annexation, are as follows:

PLANNING & ZONING COMPLIANCE - EVALUATION CRITERIA #1:

Evaluation Criteria 1A - Comprehensive Plan

This annexation is consistent with the City of Charles Town Comprehensive Plan per the following:

Chapter 3 - Charles Town's Vision for the Future

- Commerce and Industry - The Fritts Property will have a positive impact on the commerce and industry in Charles Town. The Fritts Property will offer between ten (10) to twenty (20) acres of commercial development which in turn will provide opportunity for the creation of new jobs and increased local tax revenue. As a consequence, petitioner reserves the right to request the City to amend the conditions of annexation and to potentially rezone the property to allow for the possible expansion of commercial uses within the site.
- Safety and Walkability - The Petitioner's current plans for the Property will promote walkability, with the incorporation of a walking trail or path in the proposed city park which will be linked to the sidewalks to be developed on the Property in both the proposed commercial and portions of the proposed residential sections of the property as deemed appropriate. The Fritts Property will promote safety in the community and Charles Town by completing the linking of recently annexed property (Langlet property) to the West Virginia Route 340 bypass and by connecting this property and recently annexed property to other recently annexed property (Prospect Place) via a new connecting road. This new connecting road would be consistent with the draft Charles Town Transportation Plan. This linkage via City street will have street lights and will meet other City requirements for safety purposes.
- Affordable Living - The Petitioner intends to have multi-family housing, townhome and single family detached residential units on the Property, possibly including housing targeted and restricted to persons over the age of fifty-five (55), adding to the types of residential units found in the City which could provide affordable housing for median income families. In addition, and as specified below, Workforce Housing shall be provided.
- Jobs - Upon completion of the project, the Property's commercial component will provide long-term employment opportunities. During the development of the property and the construction of individual units, the development of the Property will provide jobs in the local construction trades. New housing units will also create additional jobs in the community through the provision of services to the residents. Housing units targeted to those persons aged fifty-five (55) and older, will create new job opportunities as those types of units require services above and beyond those required in other types of new residential units.
- Infrastructure - The Petitioner is providing the infrastructure for the Property by building the necessary roads and stormwater management

facilities. Water service for the development of the Property will be from the City of Charles Town Water Department. Sewer service for the development of the Property will be from Willow Spring Public Service Corporation and will not impact the City of Charles Town's sewer plant.

- Beautification – In keeping with the City's beautification efforts, the Petitioner shall donate a minimum of twenty (20) acres for a city park around Cattail Run and its accompanying unnamed tributary. The Petitioner will submit the park plan as part of its overall Schematic Plan proposal for the development and shall submit its landscaping plan to the City of Charles Town tree board and will provide landscaping throughout the Property in accordance with the requirements of the City's ordinances.

- Parks, Trails, Greenspace, and Recreation – As specified above, the Petitioner will donate land to the City of Charles Town for a city park along and buffering Cattail Run and unnamed tributary. This park would also run along the new street linking recently annexed property and the West Virginia Route 340 bypass providing a green space along one of the City's newest corridors. In addition to the donation of twenty (20) plus acres for a linear park, the Fritts Property will provide a donation of at least one and a half (1 ½) acres, void of any environmental features (i.e. wetlands, floodplains, steep slopes, etc.), along the proposed connector road for a neighborhood park. All donated parkland shall be dedicated to the City no later than ten (10) years from the date of annexation. As a requirement of development, a trail shall be constructed by the developer along Cattail Run from the adjacent property recently annexed by the City (Langlet Property), and shall connect with Keye's Ferry Road. This trail shall be a standard width of six (6) feet and shall be constructed with a hard surface material (i.e. asphalt).

#### Evaluation Criteria 1B – Urban Zoning

The following Charles Town zoning classification is requested with this annexation and is appropriate and will promote urban development on the Property ensuring orderly future growth that is consistent with the Charles Town growth policy.

The Fritts Property, as defined herein, consisting of approximately 98.912 acres, shall be zoned NR (Neighborhood Residential); provided that, the modifications expressly stated below will supersede City ordinance standards where applicable:

- No single family residential or duplex lot shall be smaller than five thousand (5,000) square feet or be larger than one acre (1 acre).
- The development of the property shall be limited as to residential use to 370 residential dwelling units.
- The development shall be designed so the larger single-family lots are located adjacent to the adjoining residential single-family lots in the County.

#### Evaluation Criteria 1C – Contiguous Location

The Property satisfies the requirements of the Code of West Virginia and is contiguous to the existing corporate limits of the City of Charles Town.

#### Evaluation Criteria 1D – Transportation Planning

This annexation is compatible with the City's efforts to coordinate land use and transportation planning and to avoid adverse traffic impacts on the community. To this end, the Petitioners agree to the following:

All non-state roads shall be designed to meet the City's design guidelines to serve the eventual users, residents and tenants of the road network. The connector road connecting the Route 340 Bypass with the planned road on the adjacent Langlet property recently annexed by the City shall be dedicated to the City with an eighty (80) foot wide right-of-way, except where the Planning Commission may decide a lesser width would be acceptable or necessary.

Connectivity of any internal roads and/or parking lot facilities shall be provided between adjoining properties to the greatest extent feasible, as determined by the Planning Commission and the developer of the Property.

A transportation study shall be prepared by a qualified professional and submitted as information for the Planning Commission's consideration during the Schematic Plan review process. This transportation study shall be prepared using the methodology determined acceptable by the West Virginia Department of Transportation, Division of Highways for transportation studies. The transportation study shall specify the on-site and off-site transportation improvements that are determined to be necessary for maintaining acceptable levels of service of proposed and existing transportation facilities which are impacted by the development of the Property. Unless later agreed by the government body of Charles Town, no costs shall be incurred by the City for the construction of new, or upgrading of existing, transportation facilities.

#### ECONOMIC GROWTH – EVALUATION CRITERIA #2:

This annexation increases the City's ability to create quality jobs and establish retail and commercial businesses because it provides at least ten (10) acres designed for commercial uses along the Route 340 Bypass. Furthermore, and as jointly determined by the Petitioner and City, the development of this property shall be done in a manner that emphasizes good aesthetics from the viewshed of the Route 340 Bypass.

#### AFFORDABLE HOUSING – EVALUATION CRITERIA #3

- This annexation will provide townhome and single family residential units on the Property, possibly including housing targeted and restricted to persons over the age of fifty-five (55), which will provide an additional housing stock type in the City which may provide affordable options for some median family income households.

- A minimum of twenty (20) units, either single-family detached or townhouse or a combination of the same, shall be developed and sold as Workforce Housing, in accordance to the rules and requirements approved by the City of Charles Town's Housing Opportunity Board.

#### PROTECTION OF RESOURCES – EVALUATION CRITERIA #4

The Petitioner intends to protect and buffer the Cattail Run by providing land for a park to be donated to the City of Charles Town. In addition, all known environmental features, including, but not limited to, sinkholes, floodplain, wetland, natural waterways, natural drainage ways, and woodlands shall be identified on individual site plans. Any disturbance of environmental features shall be limited unless it is demonstrated that all city, county, state, and federal regulations are complied with.

A regional stormwater management area may be considered by the Planning Commission within the twenty (20) plus acre parkland, but shall be subject to approval by both entities. Regarding the future development of the Fritts Property by the owner, vegetation and land disturbance within the boundaries of the twenty (20) plus acre park area shall be restricted, except where Best Management Practices (BMPs) are utilized in accordance with the engineering standards found in the Virginia Stormwater Management Handbook and the Virginia Erosion and Sediment Control Handbook.

#### MUNICIPAL INFRASTRUCTURE AND SERVICES – EVALUATION CRITERIA #5

The Petitioner is providing the infrastructure for the Property by building the necessary roads and stormwater management facilities. Water service for the development of the Property will be from the City of Charles Town Water Department. Sewer service for the development of the Property will be from Willow Spring Public Service Corporation and will not impact the City of Charles Town's sewer plant.

#### FISCAL IMPACT – EVALUATION CRITERIA #6

This annexation will provide a positive fiscal impact from the future businesses that will locate within the annexed area through increased B&O tax collections.

The parties hereby acknowledge that there are cases currently pending in the state courts in which the imposition of county impact fees within municipal limits is in issue. The rulings in these cases may or may not affect the applicability of county impact fees to developments in the subject annexed territory. The parties acknowledge that the conditions of annexation required hereafter are not intended to result in a double payment by the Petitioner, its successors and assigns, of contributions, through both impact fees and conditions of annexation, to support services impacted by the uses to be developed in the subject territory. Accordingly, the following conditions of annexation shall apply:

(1) For any commercial development on the Property, the Petitioner agrees to pay, at the required time, amounts of contributions to the City, as conditions of annexation, equal to the impact fees that the Petitioner would have had to pay to the Jefferson County Commission had the Petitioner's property not become annexed into the City. The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation, such as the Capital Cost Fee and the Non-Capital Cost Fee. The funds paid to the City of Charles Town required by this paragraph as a condition of annexation shall be held in escrow until the cases now pending are resolved. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be applied to such fees. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

(2) Separate from any applicable County school impact fees, the development of the Fritts Property shall be subject to the payment of monetary funds aimed at mitigating the impacts of development on the City of Charles Town. The owner of the Fritts Property, voluntarily agrees to donate \$948 for capital improvement costs, and \$4,500 for non-capital costs, to the City of Charles Town for each residential unit. These fees are subject to adjustment by the City on a bi-annual basis, starting from the time the annexation is recorded by the County Commission. The City shall provide to the Petitioner a written 60-day advanced notice of the increase with the supporting documentation to justify the fee increase. These fees shall be payable to the City upon the issuance of the building permit for residential structures, and shall be deemed voluntary and not subject to the right of appeal. Residential units provided to the City for the purpose of ~~Workforce Housing~~, as defined by the City, shall be exempt from having to pay the capital and non-capital cost payments due to the City.

The Fritts Property shall not request offsets to the aforementioned voluntary non-monetary contributions cited herein.

In addition to all standard City fees, County school impact fees, and all voluntary fees mentioned herein, the Petitioner agrees to pay to the City all other additional impact fees declared by the County Commission as being owed for property developed in the City; provided that, these fees shall only be paid while the legal issues pertaining to the pending court cases are unresolved. Furthermore, these funds shall be held in escrow until the cases now pending are resolved. Minus all costs incurred by the City for administering the escrow, the interest earned while these funds are held in escrow shall be paid to the Petitioner. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the additional impact fees paid to the City of Charles Town hereunder would be applied to such fees and any remainder would be refunded to the Petitioner. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation other than the fees specifically mentioned in this section (2). Nothing contained herein is intended to relieve the Petitioner, its successors and assigns, of the obligation to pay county impact fees for schools if such fees are applicable to the type of residential unit ultimately developed on the Property, which obligation, if applicable to such residential unit, both parties acknowledge is unaffected by the annexation conditions provided herein, and which obligation, if applicable to such residential unit, is specifically required by the Settlement Agreement dated October 1, 2004, in Civil Action No. 04-C-194 in the Circuit

Court of Jefferson County.

All of the above voluntary contributions offered in this document as conditions of this annexation shall be binding to all of the above-described property that is annexed into the City of Charles Town. The property owners shall ensure that these restrictions are conveyed with the property to all future assigns and/or transferees of all or any part of the subject property, excluding land given to the City of Charles Town, West Virginia Department of Transportation, or other local, state or federal government entity. These conditions of annexation shall be fully enforceable.

Dated this 17<sup>th</sup> day of March, 2008.

/s/ J. Russell Fritts  
Petitioner

/s/ Peggy A. Smith  
City of Charles Town, Mayor

Mayor Smith opened the floor for discussion regarding the second reading of an Annexation Ordinance annexing the real estate known as the Jamison Property and Resolution 2008-07 Acceptance of Conditions of Annexation. Upon discussion, a motion by Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council voted 7-1, with Councilwoman Paonessa voting against, to approve the second reading and Resolution 2008-07 Acceptance of Conditions of Annexation as presented and as follows:

AN ORDINANCE ANNEXING THE PROPERTY OF  
FLOYD R. JAMISON AND JOYCE G. JAMISON CONTAINING  
1.565 ACRES OF LAND

WHEREAS, West Virginia Code 8-6-4 permits a municipality to, by ordinance, annex additional territory without ordering a vote on the question if (1) a majority of the qualified voters of the additional territory file with the governing body a petition to be annexed and (2) a majority of all freeholders of the additional territory, whether they reside or have a place of business therein or not, file with the governing body a petition to be annexed, and

WHEREAS, Floyd R. Jamison and Joyce G. Jamison are the owners of the property sought to be annexed and they are also qualified voters in the area sought to be annexed, and

WHEREAS, Barry L. Grimm also signed a petition seeking to annex the property as a resident on the property, but that Barry L. Grimm is not a freeholder nor is he a qualified voter in the area sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(d) which states if qualified voters of the additional territory sought to be annexed are also freeholders in the additional territory, they may join only and sign one petition in the additional territory sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(f) which states if all of the eligible petitioners are qualified voters, then only a voters petition is required, and

WHEREAS, there are no other qualified voters or freeholders in the area sought to be annexed, and

WHEREAS, Floyd R. Jamison and Joyce G. Jamison constitute a majority of the qualified voters in the area sought to be annexed, and

WHEREAS, the City of Charles Town has determined that the property sought to be annexed is contiguous and adjacent to the municipal boundary lines of the City of Charles Town pursuant to the description attached to the petition, and

WHEREAS, the property that is sought to be annexed is in the Charles Town District and is shown on the Assessor's map of the Charles Town District as Map 10, Parcel 8.5, and

NOW, THEREFORE, WITNESSETH: That the undersigned, being a majority of the qualified eligible voters of the additional territory sought to be annexed, and the freeholders of the additional territory sought to be annexed, do hereby petition the City of Charles Town to include in its municipal boundaries by annexation, without election, all of that certain parcel of real estate as more particularly described in Exhibit A hereto. This parcel of land is contiguous and adjacent to the municipal boundary.

Dated this 17<sup>th</sup> day of March, 2008.

City of Charles Town  
By: /s/ Peggy A. Smith  
Peggy A. Smith, Mayor

First Read: 03/03/08  
Second Read: 03/17/08

Resolution 2008-07

**An Acceptance of Conditions of Annexation for the Jamison Property**

WHEREAS, Floyd R and Joyce G. Jamison presented their petition for annexation of their property to the Mayor and City Council, and

WHEREAS, the said petition for annexation was received and was referred to the Finance Committee of the City for further review and analysis, and

WHEREAS, said Finance Committee has convened, and after review of the information presented to it, has reached certain conclusions and has made recommendations, and

WHEREAS, the petition for annexation was next referred to the City of Charles Town Planning Commission for further review and analysis for its recommendation to Council, and

WHEREAS, the Planning Commission adopted a recommendation that the property be zoned Residential Single Family (RS), and

WHEREAS, through direct negotiation, Floyd R. and Joyce G. Jamison, the Planning Commission, the Finance Committee, the City Council of the City of Charles Town, and City Staff have compiled a list of conditions of annexation to be made by the developers and property owners which are subject to the annexation for the use and benefit of the City of Charles Town (hereinafter attached to as Exhibit 1: Conditions of Annexation for the Jamison Property), and

NOW, THEREFORE, WITNESSETH: That the property owners of the property known as Prospect Place, and the City of Charles Town agree as follows:

- A. The City will, by ordinance, as provided in §8-6-4 of the West Virginia Code, annexing into the corporate boundaries of Charles Town the territory owned by Floyd R. and Joyce G. Jamison.
- B. The City will subject the territory so annexed to Residential Single Family zoning.
- C. The property owners will offer all terms set forth in Exhibit 1 for the use and benefit of the City of Charles Town upon the terms and conditions herein set forth.
- D. The property owners agree to execute further assurances or agreements as may be required by the City with such assurances and agreements to bind the owners of the property sought to be annexed, their successors and assigns to the conditions of annexation.

NOW, THEREFORE, BE IT RESOLVED; By the City Council of the City of Charles Town, to accept and approve the ordinance for annexation of Floyd R. and Joyce G. Jamison and to incorporate the same within the corporate boundaries of the City of Charles Town, pursuant to §8-6-4 of the West Virginia Code.

Dated: March 17, 2008

CITY OF CHARLES TOWN:  
/s/ Peggy A. Smith  
Peggy A. Smith, Mayor

Attest:  
/s/ Joe Cosentini  
City Clerk

CONDITIONS OF ANNEXATION  
FOR  
PROPERTY OF THE JAMISON PROPERTY

The Petitioner and property owners, Floyd R. Jamison and Joyce G. Jamison, herein also referred to as "The Property", "Jamison Property", "The Petitioner", "The Property Owners", or similar language, and as identified by Parcel 10, Tax Map 3, Charles Town District, agrees to the following conditions of annexation if the property is annexed into the City of Charles Town, herein referred to as "The City", "Charles Town", or similar.

Impact statements pertaining to the City of Charles Town Annexation Policy Evaluation Criteria, and all proposed voluntary contributions, submitted as conditions of annexation, are as follows:

PLANNING & ZONING COMPLIANCE – EVALUATION CRITERIA #1:

Evaluation Criteria 1A – Comprehensive Plan

This annexation is consistent with the City of Charles Town Comprehensive Plan per the following:

Chapter 3 – Charles Town’s Vision for the Future

- Commerce and Industry – The Jamison Property is located in an area suitable for potential residential development which would support other necessary uses, such as commercial and recreational.
- Safety and Walkability – The Property is located adjacent to other planned development areas and will be developed in a way that promotes connectivity, both pedestrian and vehicular.
- Affordable Living – No special affordable housing component is proposed in association with the Property being proposed for annexation.
- Jobs – This annexation is anticipated to have a neutral impact on local job creation.
- Infrastructure – Upon annexation and development, the Property will be designed and constructed to all applicable City standards in regards to infrastructure.
- Beautification – The Property will be designed to meet all city standards in regards to landscaping and other elements that support beautification of the neighborhood, which would promote a more livable community.
- Parks, Trails, Greenspace, and Recreation – As noted above, the standard Capital and Non-Capital Cost Fees to the City are proposed with this annexation, which would contribute to the City’s Park System.

Evaluation Criteria 1B – Urban Zoning

The Planning Commission agrees that the future development and subdivision of the parcel into as many as three (3) residential lots with a minimum lot size of 12,000 square feet would be compatible with the neighborhood and consistent with the City of Charles Town’s Comprehensive Plan. Therefore, the Planning Commission supports designating the property in the RS (Residential Single-Family) District. The Property Owners agree to comply with the City’s design standards and requirements as necessary for property zoned RS (Residential Single-Family) District.

Evaluation Criteria 1C – Contiguous Location

The Property satisfies the requirements of the Code of West Virginia and is contiguous to the existing corporate limits of the City of Charles Town.

Evaluation Criteria 1D – Transportation Planning

No transportation study shall be required for the further development or subdivision of the Property. However, the Property Owner agrees to design any future subdivision or development in a way that allows for the extension of Fourth Street (referred to as Euclid Ave.), unless otherwise waived by the Planning Commission. Furthermore, as a condition of development, and if it is determined necessary at the engineering stage, the Property Owner would dedicate a small portion of the Property to the City, or other legal entity, for the purpose of allowing adequate room for the extension of Fourth Street.

ECONOMIC GROWTH – EVALUATION CRITERIA #2:

The Jamison Property has a neutral impact towards economic growth in the City, but would support housing for the future labor force, which is a necessary component for attracting businesses.

AFFORDABLE HOUSING – EVALUATION CRITERIA #3

No special affordable housing conditions are proposed.

PROTECTION OF RESOURCES – EVALUATION CRITERIA #4

All City requirements shall be complied with prior to and during any construction activities that take place on the property.

MUNICIPAL INFRASTRUCTURE AND SERVICES -- EVALUATION  
CRITERIA #5

The Petitioner is providing the infrastructure for the Property by building the necessary roads and stormwater management facilities. Water service for the development of the Property will be from the City of Charles Town Water Department. Sewer service for the development of the Property will be from Willow Spring Public Service Corporation or the City of Charles Town Utilities.

FISCAL IMPACT -- EVALUATION CRITERIA #6

The parties hereby acknowledge that there are cases currently pending in the state courts in which the imposition of county impact fees within municipal limits is in issue. The rulings in these cases may or may not affect the applicability of county impact fees to developments in the subject annexed territory. The parties acknowledge that the conditions of annexation required hereafter are not intended to result in a double payment by the Petitioner, its successors and assigns, of contributions, through both impact fees and conditions of annexation, to support services impacted by the uses to be developed in the subject territory. Accordingly, the following conditions of annexation shall apply:

(1) For any commercial development on the Property, the Petitioner agrees to pay, at the required time, amounts of contributions to the City, as conditions of annexation, equal to the impact fees that the Petitioner would have had to pay to the Jefferson County Commission had the Petitioner's property not become annexed into the City. The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation, such as the Capital Cost Fee and the Non-Capital Cost Fee. The funds paid to the City of Charles Town required by this paragraph as a condition of annexation shall be held in escrow until the cases now pending are resolved. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be applied to such fees. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

(2) Separate from any applicable County school impact fees, the development of the Jamison Property shall be subject to the payment of monetary funds aimed at mitigating the impacts of development on the City of Charles Town. The owner of the Jamison Property, voluntarily agrees to donate \$948 for capital improvement costs, and \$4,500 for non-capital costs, to the City of Charles Town for each residential unit. These fees are subject to adjustment by the City on a bi-annual basis, starting from the time the annexation is recorded by the County Commission. The City shall provide to the Petitioner a written 60-day advanced notice of the increase with the supporting documentation to justify the fee increase. These fees shall be payable to the City upon the issuance of the building permit for residential structures, and shall be deemed voluntary and not subject to the right of appeal. Residential units provided to the City for the purpose of Workforce Housing, as defined by the City, shall be exempt from having to pay the capital and non-capital cost payments due to the City.

The Jamison Property shall not request offsets to the aforementioned voluntary non-monetary contributions cited herein.

In addition to all standard City fees, County school impact fees, and all voluntary fees mentioned herein, the Petitioner agrees to pay to the City all other additional impact fees declared by the County Commission as being owed for property developed in the City; provided that, these fees shall only be paid while the legal issues pertaining to the pending court cases are unresolved. Furthermore, these funds shall be held in escrow until the cases now pending are resolved. Minus all costs incurred by the City for administering the escrow, the interest earned while these funds are held in escrow shall be paid to the Petitioner. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the additional impact fees paid to the City of Charles Town hereunder would be applied to such fees and any remainder would be refunded to the Petitioner. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation other than the fees specifically mentioned in this section (2). Nothing contained herein is intended to relieve the Petitioner, its successors and assigns, of the obligation to pay county impact fees for schools if such fees are applicable to the type of residential unit ultimately developed on the Property, which obligation, if applicable to such residential unit, both parties acknowledge is unaffected by the annexation conditions provided herein, and which obligation, if applicable to such residential unit, is specifically required by the Settlement Agreement dated October 1, 2004, in Civil Action No. 04-C-194 in the Circuit Court of Jefferson County.

All of the above voluntary contributions offered in this document as conditions of this annexation shall be binding to all of the above-described property that is annexed into the City of Charles Town. The property owners shall ensure that these restrictions are conveyed with the property to all future assigns and/or transferees of all or any part of the subject property, excluding land given to the City of Charles Town, West Virginia Department of Transportation, or other local, state or federal government entity. These conditions of annexation shall be fully enforceable.

Dated this 17<sup>th</sup> day of March, 2008.

/s/ Floyd Jamison  
Petitioner (Property Owner)

/s/ Joyce Jamison  
Petitioner (Property Owner)

/s/ Peggy A. Smith  
City of Charles Town, Mayor

#### NEW BUSINESS

Mayor Smith opened the floor for discussion regarding the EPA Brownfields Assessment Grant discussion. Upon discussion, a motion by Councilman Clendening, seconded by Councilwoman Willingham and the Council unanimously voted to send a letter to the City of Ranson requesting the use of the grant funds for Phase II environmental studies of the People Supply property and the Public Works Yard.

Mayor Smith opened the floor for discussion regarding the Baptist Church House. Upon discussion, a motion by Councilman Slover, seconded by Councilwoman Paonessa and the Council voted 6-2, with Councilwoman Schmitt and Councilwoman Willingham voting against, to draft a letter to send to the Church asking for an alternative to the demolition of the house.

Mayor Smith opened the floor for discussion regarding the first reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE; UTILITIES, ARTICLE 925, WATER SERVICE RATES" as revised from previously adopted version. A motion by Councilwoman Gannon-Miller, seconded by Councilwoman Schmitt and the Council unanimously voted to approve first reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES" as presented. ✓

Mayor Smith opened the floor for discussion of the letter of support for the Old Opera House WVSHPO Grant. A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to send a letter of support for the Old Opera House WVSHPO Grant application.

Mayor Smith opened the floor for discussion regarding the FY08/09 City of Charles Town budget. A motion by Councilman Clendening, seconded by Councilwoman Willingham and the Council unanimously voted to approve the FY08/09 City of Charles Town budget as presented.

Mayor Smith opened the floor for discussion regarding Charles Town Spring Clean-up. Upon discussion, a motion by Councilman Slover, seconded by Councilman Clendening and the Council unanimously voted to set the 2008 Charles Town Spring Clean-up for April 21-25 and have staff look into the possibility of having hazardous waste delivered to the maintenance yard for disposal by a licensed contractor.

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Mayor Smith opened the floor for discussion regarding the April Council meeting schedule. A motion by Councilwoman Schmitt, seconded by Councilwoman Paonessa and the Council unanimously voted to schedule the April meeting dates for the 15<sup>th</sup> and the 21<sup>st</sup>.

Mayor Smith opened the floor for discussion regarding the Gateway Building LLC Agreement. Director Camp informed the Council of the agreement. A motion by Councilman Clendening, seconded by Councilwoman Willingham and the Council unanimously voted to approve the Gateway Building LLC Agreement as presented.

#### REFERRALS TO COMMITTEE

A motion by Councilwoman Schmitt, seconded by Councilman Slover and the Council unanimously voted to refer to the Finance Committee donation requests from the Charles Town Library, the Charles Town/Ranson Little League, Old Opera House, Friends of Happy Retreat, Independent Fire Company, the Arts & Humanities Alliance of Jefferson County, the Jefferson County Coalition on Substance Abuse, Inc. dba Focus Coalition, Charles Town Health Right, Inc. dba Eastern Panhandle Free Clinic, Birthright of Ranson, CASA of the Eastern Panhandle, the Jefferson County Ambulance Authority and the Kiwanis Club of Charles Town.

A motion by Councilwoman McDaniel, seconded by Councilman Clendening and the Council unanimously voted to approve all bills as presented.

#### MAYOR AND COUNCIL REPORTS

Mayor Smith informed the Council that the money needed for the production of the Road Trip to History program has been donated by Charles Town Races & Slots, United Bank, Jefferson Security Bank, Bank of Charles Town and American Public University and presented Council with a draft Welcome Packet that could be handed out to citizens as they apply for water

service. Councilwoman Paonessa, Ward III, informed Council that the Parks and Recreation Board is looking for Council comment on a draft resolution to form a joint study committee on the consolidation of the Charles Town and Ranson Parks and Recreation Commissions, that the Jefferson County Youth Board has donated \$1,400.00 for the purchase of park benches for the Skate Park and that there should be an agenda item on the next Council meeting opposing toll roads. Councilwoman Willingham, Ward IV, informed Council that she would like to see a resolution placed on the next Council agenda opposing the proposed tax increase by the Jefferson County Commission. Councilman Slover, Ward IV, informed Council that the leaf vacuum will be picking up leaves raked to the curb in the month of April.

#### CHIEF OF POLICE REPORT

Chief Subelsky informed Council that Ptlm. Sam Smith was injured during a training exercise last week, that he attended a grant writing workshop and that the Department would like to donate unused cruisers to the Jefferson County Deputy Sheriffs Office and the Berkeley Springs Sheriff's Department. A motion by Councilman Clendening, seconded by

Councilwoman Willingham and the Council unanimously voted to donate the cruisers.

#### DONATION POLICY COMMITTEE REPORT

Councilman Slover and Councilman Clendening informed Council of the Donation Policy. Upon discussion, a motion by Councilwoman Paonessa, seconded by Councilwoman Schmitt and the Council unanimously voted to approve the policy with five amendments and is as follows:

#### **Donation Request Policy**

**PURPOSE:** To establish a uniform policy and procedure for administering the annual donation budget of the City of Charles Town.

**STATEMENT:** It is the policy of the City of Charles Town that all organizations requesting funding complete an application and follow the procedure outlined in this policy.

**PROCEDURE:**

1. The City of Charles Town shall appropriate a certain amount of its annual budget to fund organizations that tend to directly benefit a significant segment of the citizens of the City of Charles Town.
2. Eligibility. Generally, eligible organizations include:
  - a. Public charities (501 (c) 3 or 4 non-profit organizations)
  - b. Fraternal and/or civic organizations that contribute to the betterment of the community
  - c. Independent youth sports leagues
  - d. Materiel support for schools located within the City limits of Charles Town or serve a significant number of Charles Town residents

Generally, funding shall not be considered for the following:

- a. Clubs, organizations or sports teams affiliated with any churches, religious groups or not open to the general public

b. Individuals for travel or costs associated with pageants, academic competitions or other contests

c. Other government bodies, agencies or entities who are providing the same or similar service or events already being provided by the City of Charles Town

3. Funding Considerations. Eligible organizations may apply for funding for capital expenses, special projects, events and/or general operating funds. Priority for funding will be given to organizations and/or projects that:

a. Provide vital services to the community that are not duplicated by the City including, but not limited to: public safety, health and human services, youth, recreation, cultural programs and the arts.

b. Demonstrate fiscal responsibility and community impact

c. Are located within the City limits of Charles Town and/or serve a significant number of City residents.

d. Seek funding for capital expenses and special projects

4. Program Dates. Applications for donation must be received between January 1 and March 31 for consideration. Upon City Council approval, annual awards will be issued no later than June 30.

Reporting. Organizations awarded funds of \$500.00 and above are required to submit a Spending Report between October 1 and December 31. Failure to complete/submit this report could result in loss of eligibility for future funding.

FINANCE COMMITTEE

Councilwoman Willingham informed Council that the Finance Committee had met and makes the following recommendations:

- 1. Hotel/motel tax be increased from 5% to 6% effective July 1, 2008
- 2. Approval of the replacement materials for the Charles Towers crosswalk to be paid from the Street budget
- 3. Approval of the Lawrence Street parking lot lease for a five-year period at \$1,700 per year
- 4. Approval of the work to be done by AE Piercy at City Hall to be paid from the City Hall budget

A motion by Councilwoman Schmitt, seconded by Councilwoman McDonald and the Council unanimously voted to approve the Finance Committee recommendations as presented.

A motion by Councilwoman McDaniel, seconded by Councilwoman McDonald and the Council unanimously voted to adjourn at 8:04 p.m.

MAYOR: [Signature] DATE: 04/15/08

CLERK: [Signature] DATE: 04/15/08

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April 15, 2008

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Tuesday, April 15, 2008 at 7:00 p.m. The following members of Council were present: Donald W. Clendening, MaryLois Gannon-Miller, Ruth McDaniel, Sandra McDonald, Ann Paonessa, Amy Schmitt, Michael Slover and Geraldine Willingham. Mayor Peggy Smith presided and Joseph Cosentini, City Clerk, took the minutes of the meeting. Also present were Jeremy Camp, Acting City Manager, Tara Hostler, Accounting Manager, and Chief Barry Subelsky.

A motion by Councilwoman McDonald, seconded by Councilwoman McDaniel and the Council unanimously voted to dispense with the reading of the minutes dated March 17, 2008. A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to approve the minutes dated March 17, 2008 as presented.

NEW BUSINESS

Mayor Smith opened the floor for discussion regarding the public hearing and second reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES" as revised from previously adopted version. A motion by Councilwoman Gannon-Miller, seconded by Councilwoman McDonald and the Council unanimously voted to open the public hearing for public comment at 7:01 p.m. Being no comments, a motion by Councilwoman Willingham, seconded by Councilwoman McDonald and the Council unanimously voted to close the public hearing. A motion by Councilman Clendening, seconded by Councilman Slover and the Council unanimously voted to approve second reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES" as presented and is as follows:

**AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES.**

**BE IT ORDAINED** by the City Council of the City of Charles Town as follows:  
That Article 925, Water Rates, Section 925.01, Water Service Rates, be **AMENDED** as follows:

925.01 WATER SERVICE RATES.

USE OF WATER METERS: PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacements, improvements, additions, betterments, extension and maintenance of the water system and for the payment of the sums required to pay the principal and interest on all water revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates, charges and penalties for the use of and services rendered by the municipal water system and works of the City of Charles Town, West Virginia, which schedule, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

APPLICABILITY (SCHEDULE D)

Applicable to entire area served.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES

First	10,000 gallons used per month	\$8.23 per 1,000 gallons
Next	30,000 gallons used per month	7.00 per 1,000 gallons
Over	40,000 gallons used per month	5.53 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8" or 5/8" x 3/4"	Meter	\$20.58 per month
3/4"	Meter	30.87 per month
1"	Meter	51.45 per month
1-1/2"	Meter	102.90 per month
2"	Meter	164.64 per month
3"	Meter	308.70 per month
4"	Meter	514.50 per month
6"	Meter	1029.00 per month

FLAT RATE

For domestic, commercial or industrial customers - \$37.04 for 4,500 gallons per month.

MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

CONNECTION CHARGE

A service connection charge of \$370.00 shall be paid for all new service connections.

DISCONNECT FOR NONPAYMENT

Whenever water service has been discontinued for nonpayment of sewer bills, a disconnection fee of \$10.00 shall be charged.

RECONNECTION SERVICE CHARGE

Whenever water service which has been previously disconnected or otherwise withheld for nonpayment of sewer bills is reconnected, a fee of \$10.00 shall be charged.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, a ten percent (10%) charge shall be added to the net current amount unpaid. The delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

SECURITY DEPOSIT

The security deposit for water service shall be \$36.50.

RATES FOR FIRE PROTECTION - PUBLIC

Fire Hydrants, each	\$72.00 per annum
Sprinkler Heads, each	0.20 per annum

RATES FOR FIRE PROTECTION - PRIVATE

Fire Hydrants, each	\$72.00 per annum
Sprinkler Heads, each	0.20 per annum

## (SCHEDULE II)

CAPACITY IMPROVEMENT CAPITAL COST FEE

Capacity Improvement Capital Cost Fee from the date of this tariff.

In addition to all the fees provided above, there shall be paid to the City at the time the application is made for connection of an unserved facility to the water system a capacity improvement capital cost fee of \$2,576.00 for each residential connection. Connections for nonresidential use shall be paid in accordance with a residential usage equivalent schedule set forth hereinafter. The funds collected from the capacity improvement capital cost fee shall be maintained in a separate fund by the Water System and shall be used only for the purpose of improving the water system treatment, storage and transmission facilities. These charges shall also be paid by customers of the water system who resell water supplied by the City to its customers in the same amount as if those connected to the resale customer system were to become direct customers of the City. The residential usage equivalent for other than single family residential units for the capacity improvement capital cost fee are as follows:

RESIDENTIAL USAGE EQUIVALENTS  
FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

<u>UNIT</u> <u>USAGE EQUIVALENT</u>	<u>GALLONS/DAY</u>	<u>RESIDENTIAL</u>
Single Family unit	150	1.0
Apartments	150/unit	1.0/unit
Bed and Breakfast	150	1.0
Bowling Alleys	200/alley	1.33/alley
Churches		
with kitchens	8/member	0.05/member
w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry	15/person/shift	0.1/person per shift
Institutions		
Hospitals	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Mobile Home Park	150/unit space	1.0/unit space
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
School:		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Theatre	3/seat	0.02/seat
Warehouse	15/employees	0.1/employee

If a unit does not appear on this schedule the water department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested in the Ordinance may appear before Council Chambers, Charles Town, West Virginia, on April 15, 2008, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereon. Following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed and approved by the Council: March 17, 2008

Presented and adopted by the Council:  
(Public Hearing): April 15, 2008

Mayor  
Meggy A. Smith  
MAYOR

Mayor Smith opened the meeting regarding "A RESOLUTION OF THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, AUTHORIZING CREATION AND OPERATION OF THE CHARLES TOWN AND RANSON JOINT STUDY COMMITTEE TO STUDY AND REPORT ON THE POTENTIAL MERGER OF THE TWO CITIES' PARKS AND RECREATION COMMISSIONS AND ASSOCIATED ISSUES." Council was then updated Council on the actions of the Charles Town Parks and Recreation Commission. In discussion, a motion by Councilman Clendening, seconded by Councilman [Name], and the Council unanimously voted to approve "A RESOLUTION OF THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, AUTHORIZING CREATION AND OPERATION OF THE CHARLES TOWN AND RANSON JOINT STUDY COMMITTEE TO STUDY AND REPORT ON THE POTENTIAL MERGER OF THE TWO CITIES' PARKS AND RECREATION COMMISSIONS AND ASSOCIATED ISSUES" pending legal review and action by the Ranson City Council.

## RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, AUTHORIZING CREATION AND OPERATION OF THE CHARLES TOWN AND RANSON JOINT STUDY COMMITTEE TO STUDY AND REPORT ON THE POTENTIAL MERGER OF THE TWO CITIES' PARKS AND RECREATION COMMISSIONS AND ASSOCIATED ISSUES.

WHEREAS, West Virginia Code § 10-2-3 permits any two or more governing bodies to jointly establish and conduct a system of recreation, including recreation centers, parks, swimming pools, playgrounds, and any and all other recreation facilities and activities; and may exercise all the powers given by Chapter 10, Article 2 of the West Virginia Code; and

WHEREAS, neither the City of Ranson nor the City of Charles Town have determined whether merger, resource sharing short of merger, or maintenance of the status quo would be in the best interest of the citizens of either City; and

WHEREAS, the City of Ranson and the City of Charles Town believe that an organized, comprehensive and thorough study of the issues implicated by consideration of merger or of less extensive joint undertakings would be prudent and beneficial to the citizens of each city; and

WHEREAS, the City of Ranson and City of Charles Town believe that the involvement of the Jefferson County Parks and Recreation and the Jefferson County Board of Education is important to the success of the "Joint Study Committee."

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, as follows:

SECTION 1. *Authorization.* The Charles Town City Council hereby authorizes the creation of a "Charles Town and Ranson Joint Study Committee" to be structured and tasked as set forth below.

SECTION 2. *Cooperation.* The Mayor, Members of City Council, Members of the Park and Recreation Commission, and other city staff and consultants are authorized and directed to provide such information and support service as may be reasonably necessary to the work of the Joint Study Committee.

SECTION 3. *Purpose.* The primary purpose of the Joint Study Committee shall be to carefully study the advantages and disadvantages of merging the two cities' Parks and Recreation Commissions. If the Joint Study Committee recommends the merger of the cities' Parks and Recreation Commissions, the Joint Study Committee shall provide a detailed report to the governing bodies detailing, but not limited to, the following: (1) all aspects of finances; (2) personnel; (3) draft copy of articles and bylaws of joint parks and recreation commission which includes, but is not limited to, the following: (a) makeup, number and terms of commissioners and officers, (b) title and authorities of commissioners; (c) duties and authorities of the respective entity; (d) procedures of meetings; (e) amendment procedures to bylaws; and (f) any other item the Joint Study Committee deems necessary.

SECTION 4. *Membership.* The governing body of each city shall appoint three (3) voting members to the Joint Study Committee. The two City Managers or his or her staff designee shall be part of the ex-officio members of the Joint Study Committee. The Board of Education and the Jefferson County Parks and Recreation shall each be invited to have one (1) non-voting advisory member to participate in all Joint Study Committee meetings and shall be noticed of all meetings of the Joint Study Committee in accordance with the guidelines set forth in SECTION 5. The Joint Study Committee may ask persons not on the Committee to speak, participate in meetings for expertise, guidance and input.

SECTION 5. *Meetings.* The Joint Study Committee shall meet at least monthly at dates and times to be determined by the Joint Study Committee. All decisions will be made by a majority vote of those present at the Joint Study Committee meeting. There shall be proper notification of all meetings and voting in compliance with the West Virginia Open Governmental Proceedings Act. Proxy

voting shall not be permitted. A quorum of the Joint Study Committee shall be at least two members from each city.

SECTION 6. *Public Access and Notices.* All meetings shall be open and the public invited to attend. All meetings, agendas and sites shall be properly advertised in accordance with the West Virginia Open Governmental Proceedings Act. Minutes of all Joint Study Committee meetings shall be taken and made available to the public. The Joint Study Committee shall appoint a Secretary at its first meeting who shall be responsible for the distribution of meeting notices to members, advertisement of meetings and meetings shall be held at least two times in accordance with the West Virginia Open Governmental Proceedings Act and taking and keeping record of the minutes of each meeting.

SECTION 7. *Term.* The term of the Joint Study Committee shall be twelve (12) months; provided, however, that if the Joint Study Committee has a final recommendation before the expiration of its term, the Joint Study Committee may present its study to the governing bodies of both cities. If the work of the Joint Study Committee is not completed within its twelve (12) month term, then the term of the Joint Study Committee may be extended by resolution from the governing bodies of both cities.

SECTION 8. *Finances.* The cost of the study by the Joint Study Committee will be borne by the cities (exclusive of in kind staff time). All costs and expenses shall be approved in advance by Charles Town and Ranson. Any costs or expenses shall be approved in advance by the elected bodies of both cities. The cities shall have the discretion to spend the budgeted funds in a manner consistent with the budget.

SECTION 9. *Final Report.* At the end of its work, the Joint Study Commission shall submit its recommendations in written form to the Ranson Mayor and City Council and the Charles Town Mayor and City Council. Those two elected bodies shall consider all such recommendations and then shall separately approve the recommendations with or without recommendations. If both cities' elected bodies approve the Joint Study Commission's recommendations with or without any mutually agreed upon conditions, the cities shall thereupon jointly draft separate, but identical, resolutions to implement the approved recommendations and implement such recommendations.

Signed and approved this 10th day of August, 2008:  
  
Penny Smith  
Mayor

ATTEST:  
/s/ Joe Cosentini  
Joseph Cosentini  
Clerk

Mayor Smith opened the meeting by welcoming the Deed of Dedication for County Green. Jeremy Campbell presented a motion to table the Deed of Dedication for County Green due to some unresolved issues with the development that the Deed of Dedication would require. A motion by Councilwoman Willingham, seconded by Councilman Smith, was made. The Council unanimously voted to table the Deed of Dedication for County Green.

Mayor Smith opened the meeting by welcoming Resolution 2008-09: \$7,500 Division of Tourism Direct Advertising Grant and Verification. A motion by Councilwoman Willingham, seconded by Councilman Smith, was made. The Council unanimously voted to approve Resolution 2008-09: \$7,500 Division of Tourism Direct Advertising Grant Participation and Verification.

Resolution 2008-09  
Participation Verification and Certification  
\$7,500 Direct Advertising Grant

I hereby certify that the City of Charles Town hereinafter referred to as "The City" is in compliance with all state, federal, and local laws, including, but not limited to, laws relating to Workers' Compensation insurance, unemployment compensation and business taxes. I further certify that the City is not presently in bankruptcy. I agree to notify the West Virginia Division of Tourism should the City go into bankruptcy either voluntarily or involuntarily.

I hereby certify that I, Peggy Smith, have the authority to speak for and bind by my signature the City. I certify that I have reviewed the portions of the grant application entitled City of Charles Town Heritage Festival 2008, for the project dates of July 15, 2008 to July 21, 2009 (hereinafter referred to as "the Grant") that pertains to the City and that the representations are true and correct to the best of my knowledge. I certify that the City is to be an active participant in the Grant, and that the City's portion of the Grant is the amount of \$1,825.00.

Dated: April 15, 2008

CITY OF CHARLES TOWN:  
Peggy A. Smith  
Peggy A. Smith, Mayor

Attest:  
/s/ Joe Cosentini  
City Clerk

Mayor Smith opened the floor for discussion regarding Resolution 2008-10: Preserve America Historic Preservation Grant. A motion by Councilwoman Schmitt, seconded by Councilman Clendening and the Council unanimously voted to approve Resolution 2008-10: Preserve America Historic Preservation Grant as presented and is as follows:

Resolution 2008-10  
City of Charles Town Support  
for the  
Preserve America Grant Application

WHEREAS, The City of Charles Town was officially recognized as a *Preserve America Community* in March of 2007 with the designation comes the ability to apply for *Preserve America* grants and,

WHEREAS, the funding being applied for is in part to the development of heritage tourism in Charles Town including a Tourism Development Plan and the hiring of a full time project Coordinator for two years; and,

WHEREAS, these programs proposed advance the City of Charles Town's heritage tourism goals and cultural assets; and,

WHEREAS, the proposed project will help the City of Charles Town develop partnerships with the Jefferson County Historical Society, the Old Charles Town Library, the Jefferson County Convention Center, the Washington Heritage Trail National Scenic Byway, Arts Humanities and Heritage (AHHA), the Jefferson County Black History Preservation Society, the Charles Town Historic Landmarks Commission, Friends of Happy Retreat, the Charles Town Tourism Merchants Association, the Jefferson County Convention Center, the Ranson Convention and Visitors Bureau, the Charles Town Visitors Center, the Jefferson County Chamber of Commerce, and the Jefferson County Convention Center,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Charles Town, to support all the activities and programs proposed in the *Preserve America* grant application.

Dated: April 15, 2008

CITY OF CHARLES TOWN:  
Peggy A. Smith  
Peggy A. Smith, Mayor

Attest:  
/s/ Joe Cosentini  
City Clerk

Mayor Smith opened the floor for discussion regarding the Laying of the Levy in accordance with WV State Code, §18-2-1. Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council unanimously voted to Lay the Levy for FY08/09.

Mayor Smith opened the floor for discussion regarding the FY06/07 Charles Town Policeman's Pension Fund report. Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to approve the FY06/07 Charles Town Policeman's Pension Fund report.

Mayor Smith informed the Council regarding six (6) Special Activity Permits. A motion by Councilwoman Willingham, seconded by Councilwoman McDonald and the Council unanimously voted to approve the following: Permit #3-01: Animal Welfare Society of Jefferson County Roadside Collection; Permit #4-01: the collection take place at the intersection of Samuel and West Street; Permit #5-01: Special Activity Permit 08-02: Oakland

United Methodist Church Family Reunion; Permit #6-01: Mother's Day Cookout as presented.

REFERRALS TO COMMITTEES

A motion by Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council unanimously voted to refer the following: a bid from Citizen's Fire Co., Jefferson County Municipal Police Department, Animal Adoption Center and a bid from Altec Industries Inc. for work on the Jefferson County Parkway, the FY08 Budget revision #2 and a U.S. Paving bid for concrete on the Jefferson County Parkway.

A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to refer the following: a bid from the Jefferson County Municipal Police Department.

MAYOR AND COUNCIL MEMORANDUM

Mayor Smith informed the Council regarding a luncheon honoring Frank Buckles, the last living WWI veteran, to be held in the Road Trip to History program. Mayor Smith also informed the Council that she had received an email from a concerned citizen regarding the current practice of the Council meetings. Upon discussion, Councilwoman Clendening, seconded by Councilwoman McDaniel voting against; the current practice is problematic from a legal standpoint, but there is no alternative at this time. Councilwoman McDonald, seconded by Councilman Slover and the Council unanimously voted to table the decision on the open meeting. Councilwoman McDonald, seconded by Councilman Slover and the Council unanimously voted to table the decision on the open meeting. Councilwoman Schmitt, Ward II, informed the Council that she would like to have a trashcan to be installed at West Street and the three members of the Parks and

Recreation Joint Study Committee on the next Council agenda. Councilman Clendening, Ward III, informed Council that a draft Personnel Policy has been distributed to all Council members and asked that the Policy be on the April 21st Council agenda for approval and that he had attended WV Leadership Academy seminar in Morgantown. Councilwoman Paonessa, Ward III, informed Council that she had attended the Tourism Reception sponsored by the Jefferson County CVB.

CHIEF OF POLICE REPORT

Chief Subelsky informed Council that the Explorer Post held a camp over the weekend and that he would like to see a detailed Closing Camp policy developed. Chief Subelsky informed Council that he is applying for a grant and needs a resolution from Council. A motion by Councilwoman Schmitt, seconded by Councilman McDonald and the Council unanimously voted to approve Resolution 2008-06, West Virginia Justice Assistance Grant (JAG) Application. Chief Subelsky asked Council for approval of the reservation of surplus funds from the Police Department budget. A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to allow the surplus from the Police Department budget, ending June 30, 2008, to be placed in a reserve fund for the use in the purchase of a new building.

FINANCE COMMITTEE

Councilwoman Willingham informed Council that the Finance Committee had met and makes the following recommendations:

1. Approval for the following requests for donations from Hotel/Motel:
 

Old Opera House Theatre	\$10,000
Old Charles Town Library	\$10,000
Charles Town Ransom Little League	\$ 1,000
Arts & Humanities House of Jefferson County	\$ 1,000
  
2. Approval for the following requests for donations from the General Fund:
 

Jefferson County Agricultural Authority	\$10,000
Eastern Panhandle Community Center	\$ 5,000*
Kiwanis Club of Charles Town	\$ 1,000
Jefferson County Parks & Recreation (networks)	\$ 1,000
CASA of the Eastern Panhandle	\$ 1,000
  
3. Approval for the following request for donation from Capital Reserve:
 

Independent Film Commission	\$10,000
-----------------------------	----------

\* if funds allow at fiscal year end Finance Committee would like to donate an additional amount to the Eastern Panhandle Community Center

Upon discussion, a motion by Councilman Clendening, seconded by Councilwoman Schmitt and the Council unanimously voted to approve the Finance Committee recommendations as presented.

DOWNTOWN ECONOMIC REVITALIZATION COMMITTEE

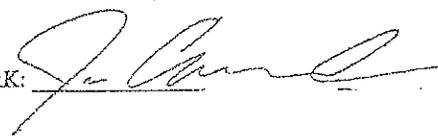
Councilwoman Paonessa presented a letter with the Downtown Economic Revitalization Committee's goals and work plan. Councilwoman Paonessa informed Council that a brownfields site needs to be cleaned up for the remaining EPA Grant funds since the remaining funds will not cover the costs of the Public Works Yard and the People Supply property.

UNFINISHED BUSINESS

Mayor Smith opened the meeting by reading the letter to the Charles Town Baptist Church. Upon discussion, Councilwoman Paonessa, seconded by Councilman Slover and the Council voted 13-0 to approve the letter. Councilman Clendening, Councilwoman McDaniel, Councilwoman McDonald, Councilman Slover and Councilwoman Willingham voting against, to approve the letter to the Charles Town Baptist Church.

A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to approve the letter.

MAYOR:  DATE: 04/21/08

CLERK:  DATE: 04/21/08



# City of Charles Town

101 East Washington Street, P.O. Box 14, Charles Town, WV 25414  
Phone: (304) 725-2311 ♦ Fax: (304) 725-1014 ♦ Web: [www.charlestownwv.us](http://www.charlestownwv.us)

RECEIVED  
2005 AUG 11 AM 8:  
WVA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

## AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEWERS

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

MAYOR

*Peggy A. Smith*

That Section 921.18, Sewer Service Rates be AMENDED as follows:

CITY  
COUNCIL

*Randy  
Breedon*

*Donald  
Chendering*

*William  
Jordan*

*Sandra  
Slusher  
McDonald*

*Timothy  
Robinson*

*Amy  
Schmitt*

*Matthew  
Ward*

*Geraldine  
Willingham*

CITY  
MANAGER

*Jane E.  
Arnett*

CITY CLERK

*Joe  
Coertini*

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.

(b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

### ESTABLISHMENT OF A SCHEDULE OF JUST AND EQUITABLE RATES OR CHARGES FOR SEWER SERVICE: USE OF WATER METERS: PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

## II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

### SCHEDULE I

#### APPLICABILITY

Applicable within the entire territory served excluding the entire area know as the Huntfield subdivision.

#### AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service

#### RATES (Customers with a metered water supply)

First	2,000 gallons used per month	\$7.96 per 1,000 gallons
Next	8,000 gallons used per month	5.73 per 1,000 gallons
Next	20,000 gallons used per month	5.20 per 1,000 gallons
All over	30,000 gallons used per month	4.61 per 1,000 gallons

#### MINIMUM CHARGE

No bill shall be rendered for less than \$15.92 per month, which is the equivalent of 2,000 gallons.

#### FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$30.25 per month

#### RESALE RATE

\$3.71 per 1,000 gallons per month

#### RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

#### TRANSPORTATION CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$1,009 per month will be credited against the respective bill rendered to Jefferson County Public Service District for reimbursement of fixed debt associated with lift stations needed to transport Charles Town's sewage from the former Sanitary Associates service area. The credit will be given until the indebtedness is satisfied. In addition to the monthly credit of \$1,009, a transportation credit of \$1.65 per thousand gallons shall be provided to the Jefferson County Public Service District for all flows from the former Sanitary Associates area.

#### DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE II

APPLICABILITY

Applicable within the entire territory known as the Huntfield subdivision

AVAILABILITY

Available for general domestic, commercial, and industrial service

RATES (customers with a metered water supply)

\$11.50 per thousand gallons of metered water usage

MINIMUM CHARGE

No bill will be rendered for less than \$26.98 per month.

The above minimum charge is subject to an additional \$0.71 per thousand gallons per month.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$51.75 per month

MULTIPLE OCCUPANCY

For unmetered trailer parks, the monthly charge for services shall be equal to the number of units multiplied by the unmetered charge provided above.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the new current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

### TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

### DISCONNECT - RECONNECT FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Charles Town, a disconnect fee of \$10.00 shall be charged. Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Jefferson Utilities, Inc., a disconnection fee of \$20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Charles Town is reconnected, a reconnection fee of \$10.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Jefferson Utilities, Inc. is reconnected, a reconnection fee of \$20.00 shall be charged.

### LEAK ADJUSTMENT INCREMENT

\$3.01 per M. gallon is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

### RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

## SCHEDULE III

### APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation, or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development, for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$1,127 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below. The funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County PSD and the City of Ranson or their designees and shall be used only for the purpose of improving the City's treatment facilities.

ADDITIONAL CAPACITY IMPROVEMENT FEE - HUNTFIELD PUMP STATION

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee - Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

The usage equivalent for other than single family residential units for the capital capacity improvement fee and additional capacity improvement fee - Huntfield pump station shall be based upon the following:

RESIDENTIAL USAGE EQUIVALENTS  
FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

<u>UNIT</u>	<u>WATER GALLONS/DAY</u>	<u>RESIDENTIAL USAGE EQUIVALENT</u>
Apartments	150/unit	1.0/unit
Bowling Alleys	200/alley	1.33/alley
Churches with kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food	35/seat	0.23/seat
Restaurant		0.013/patron
Bar & Cockta Lounge (additive)	2/patron	
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry, sanitary	15/person/shift	0.1/person per shift
<u>Institutions:</u>		
Hospital	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer

Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
<u>School:</u>		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Capacity Theaters	3/seat	0.02/seat
Warehouse	15/employee	0.1/employee

If a unit does not appear on this schedule the sewer department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

#### EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

#### SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

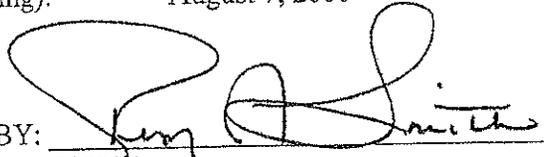
The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on August 7, 2006, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading: July 17, 2006

Passed on Second Reading  
(following Public Hearing): August 7, 2006

BY: 

MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on July 17, 2006, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on August 7, 2006, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

BY: 

CITY CLERK

*Price*

RECEIVED

2006 AUG 11 AM 8:45

W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

### Certificate of Publication

This is to certify the annexed advertisement

City of Charles Town

amendment to the codes

appeared for 1 consecutive days/weeks  
in The Shepherdstown Chronicle, a newspaper  
published in the City of Shepherdstown, WV  
in its issue beginning:

7/21/06

and ending

### The Shepherdstown Chronicle

P.O. Box 2088  
Shepherdstown, WV 25443-2088

Fee \$ 389.62

THE STATE OF WEST VIRGINIA  
COUNTY OF JEFFERSON

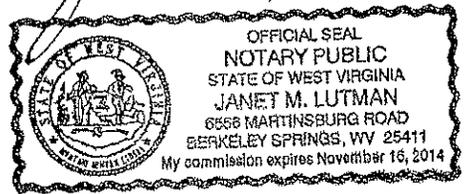
The foregoing instrument was acknowledged

before me this 7-24-06 by

*Charlotte Jones*

My commission expires Nov 16, 2014

*Janet M. Lutman*  
Notary Public



**Parcements Unlimited** **FIRST**

BERKELEY SPRINGS, WV  
 2000 S. HAWK  
 GRT. ST. INDEPENDENCE  
 C/TOWN MARTINSBURG  
 2575  
 304-592-4724

BDRM 2 Bdr  
 1.5 Bath  
 1100 Sq Ft  
 \$115,000  
 304-592-4724

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN,  
WEST VIRGINIA WITH REGARD TO  
CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEW-  
ERS

BE IT ORDAINED by the City Council of the City of Charles Town as fol-  
lows:

That Section 921.18, Sewer Service Rates be AMENDED as follows:

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.

(b) Rules and Regulations: Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

ESTABLISHMENT OF A SCHEDULE OF JUST AND  
EQUITABLE RATES OR CHARGES FOR SEWER SERVICE;  
USE OF WATER METERS; PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY  
In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served excluding the entire area known as the Huntfield subdivision.

AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	\$7.96 per 1,000 gallons
Next	8,000 gallons used per month	5.73 per 1,000 gallons
Next	20,000 gallons used per month	5.20 per 1,000 gallons
All over	30,000 gallons used per month	4.61 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$15.92 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)  
Equivalent of 4,500 gallons of water usage, \$30.25 per month

RESALE RATE

\$3.71 per 1,000 gallons per month

RESALE CREDIT (Applicable only to Jefferson County Public Service District)  
A monthly credit of \$3.451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

TRANSPORTATION CREDIT (Applicable only to Jefferson County Public Service District)  
A monthly credit of \$1,009 per month will be credited against the respective bill rendered to Jefferson County Public Service District for reimbursement of fixed debt associated with lift stations needed to transport Charles Town's sewage from the former Sanitary Associates service area. The credit will be given until the indebtedness is satisfied. In addition to the monthly credit of \$1,009, a transportation credit of \$1.65 per thousand gallons shall be provided to the Jefferson County Public Service District for all flows from the former Sanitary Associates area.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is net interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an

the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE II

APPLICABILITY

Applicable within the entire territory known as the Huntfield subdivision

AVAILABILITY

Available for general domestic, commercial, and industrial service

RATES (customers with a metered water supply)

\$11.50 per thousand gallons of metered water usage

MINIMUM CHARGE

No bill will be rendered for less than \$26.98 per month.

The above minimum charge is subject to an additional \$0.71 per thousand gallons per month.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$31.75 per month

MULTIPLE OCCUPANCY

For unmetered trailer parks, the monthly charge for services shall be equal to the number of units multiplied by the unmetered charge provided above.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the new current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT - RECONNECT FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Charles Town, a disconnect fee of \$18.00 shall be charged. Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Jefferson Utilities, Inc., a disconnection fee of \$20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Charles Town is reconnected, a reconnection fee of \$10.00 shall be charged. Whenever water service, which has been previously disconnected, or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Jefferson Utilities, Inc. is reconnected, a reconnection fee of \$20.00 shall be charged.

LEAK ADJUSTMENT INCREMENT

\$3.01 per M. gallon is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SCHEDULE III

APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation, or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development, for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$1,127 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below. The funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County FSD and the City of Ranson or their designees and shall be used only for the purpose of improving the City's treatment facilities. The usage equivalent for other than single family residential units for the capital capacity improvement fee shall be based upon the following:

July 21, 2006

The Shepherdstown Chronicle

		EQUIVALENT
Apartments	150/unit	1.0/unit
Bowling Alleys	200/alley	1.33/alley
Churches with kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge (additive)	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry, sanitary	15/person/shift	0.1/person per shift
Institutions:		
Hospital	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
School:		
Day no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Capacity Theaters	3/seat	0.02/seat
Warehouse	15/employee	0.1/employee

If a unit does not appear on this schedule the sewer department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

**ADDITIONAL CAPACITY IMPROVEMENT FEE - HUNTFIELD PUMP STATION**  
 There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee - Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

**EFFECTIVE DATE**

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

**SEPARABILITY, REPEAL OF CONFLICTING ORDINANCES**

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

**STATUTORY NOTICE AND PUBLIC HEARING**

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on August 7, 2006, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading: July 17, 2006

Passed on Second Reading (following Public Hearing): August 7, 2006

BY: \_\_\_\_\_  
 MAYOR  
 CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on July 17, 2006, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on August 7, 2006, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

BY:

# Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher  
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. July 20, 2006 20

I hereby certify that the annexed Amendment to Codes of City

in the case of Chapter 3, Streets, Utilities, & Public Services Article 921 Sewers

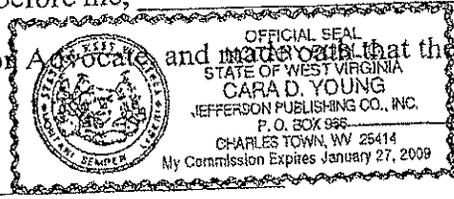
has been published once a week for two successive weeks, in the Spirit of Jefferson Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of July 20 and July 27, 2006, 20

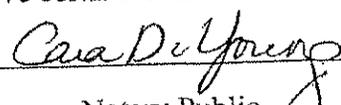
as required by law.

  
Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia  
County of Jefferson  
Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate and made oath that the above certificate is true and correct.



  
Notary Public

Commission expires

RECEIVED  
2006 AUG 11 AM 8:45  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

# Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher  
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. August 10, 2006 20

I hereby certify that the annexed Public Notice

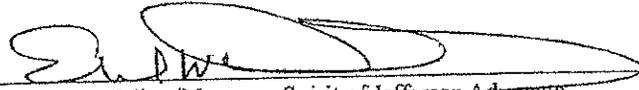
in the case of Change in Sewer Rates

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

August 10 and August 17, 2006, 2006,

as required by law.

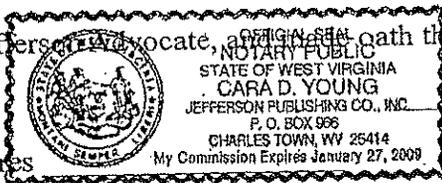


Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia  
County of Jefferson

Personally appeared before me, Edward w. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and he has sworn that the above certificate is true and correct.



Commission expires

Cara D. Young  
Notary Public

RECEIVED  
2006 SEP 13 AM 8:45  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

RECEIVED  
2006 SEP 13 AM 8:46  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

**PUBLIC NOTICE OF CHANGE IN SEWER RATES OF  
CITY OF CHARLES TOWN**

NOTICE is hereby given that City of Charles Town (the "City"), on August 7, 2006, has adopted an ordinance implementing an Additional Capacity Improvement Fee associated with a new construction intended to connect with the Huntfield Pump Station.

The proposed Capacity Improvement Fee will become effective on September 25, 2006, unless otherwise ordered by the Public Service Commission (the "Commission") and will produce approximately \$746,460 annually in revenue, an increase of 243%. The increased rates will be as follows:

	\$ INCREASE	INCREASE%
Residential	0\$	0%
Commercial	0\$	0%
Industrial	0\$	0%
Resale	0\$	0%
Other	\$2,875.00	100%

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 City of Charles Town operated utility; or
- (2) Any customer who is served by City of Charles Town 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 City of Charles Town 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 City of Charles Town corporate boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the City of Charles Town 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 utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the office of the City Clerk at Charles Town City Hall, 101 E. Washington St., Charles Town, WV and at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

8/10/2t

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CHANGE IN SEWER RATES  
OF CITY OF  
CHARLES TOWN

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- (2) Any customer who is served by City of Charles Town 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 City of Charles Town boundaries. Said petition shall be accompanied by evidence of discrimination; or

*Certificate of Publication*

This is to certify the annexed advertisement  
City of Charles Town

public notice of change

appeared for 2 consecutive days/weeks  
in The Shepherdstown Chronicle, a newspaper  
published in the City of Shepherdstown, WV  
in its issue beginning:

8/17/06  
and ending  
8/24/06

The Shepherdstown  
**Chronicle**  
P.O. Box 2088  
Shepherdstown, WV 25443-2088

Fee\$ 138.90

THE STATE OF WEST VIRGINIA  
COUNTY OF JEFFERSON

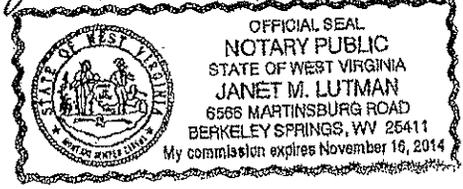
The foregoing instrument was acknowledged  
before me this 8-30-06 by

*Charles Dodge*

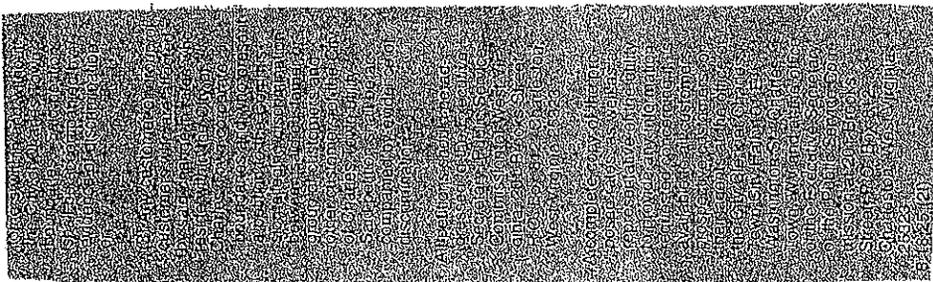
My commission expires Jan 14, 2014

*Janet M. Lutman*

Notary Public



RECEIVED  
2006 SEP 13 AM 8:46  
WV PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE



RECEIVED  
2008 SEP 13 AM 8:46  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

July 17, 2006

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the council room in said city on Monday, July 17<sup>th</sup>, 2006 at 7:00 p.m. The following members of Council were present: Randy Breeden, Donald W. Clendening, William Jordan, Sandra Slusher McDonald, Amy Schmitt and Matthew Ward. Mayor Peggy A. Smith presided and Joseph Cosentini, Clerk, took the minutes of the meeting. Also present was Jane Arnett, City Manager, Jeremy Camp, Director of Community Development, and Chief Barry Subelsky.

A motion by Councilman Breeden, seconded by Councilwoman McDonald and the Council unanimously voted to dispense with the reading of the minutes dated June 19, 2006. A motion by Councilman Breeden, seconded by Councilwoman Schmitt and the Council unanimously voted to approve the minutes for the June 19, 2006 regular session of Council as presented.

#### MAYOR AND COUNCIL REPORTS

Mayor Smith informed Council that a steering committee is being set up to look into developing a Joint Planning Commission including Jefferson County, Ranson and Charles Town. Upon discussion, a motion by Councilman Matthew Ward, seconded by Councilwoman McDonald and the Council unanimously voted to appoint Jeremy Camp and Mayor Smith to the steering committee. Mayor Smith informed Council that the support for the Heritage Days event in September has been very strong.

Councilman Breeden, Ward I, informed the Council that he would like to see the City Tree Board to locate some of the damaged trees, even if on private property, in the City as a result from last weeks strong rain storms. Councilwoman Schmitt, Ward II, informed Council that she had received complaints from the Hillside subdivision regarding a new used car lot next to the main entrance to the development and that some of the Huntfield residents were complaining about the new parking lines recently painted in the development. Director Camp informed Council that the used car lot was only going to be used for a "One Day Sale" and would be removed after the event is complete. A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to refer to Street Committee the parking issue in Huntfield. Councilman Matthew Ward, Ward III, asked if there was any progress made on the Martin Luther King Avenue issue a few months ago regarding the soliciting of property sales and if the Council could be informed as to the progress of the Gateway Revitalization efforts. Councilman Ward also informed the Council that he felt a lot of good could come from raising the Hotel/Motel tax as indicated in a later agenda item. Chief

Subelsky informed Council that no official complaint was ever filed at the police department to initiate an investigation for the soliciting of property sales on Martin Luther King Dr.

Councilman Clendening informed Council that he had received complaints regarding low utility lines and asked if there were State or City regulations regarding the matter.

#### CHIEF OF POLICE REPORT

Chief Subelsky informed Council that Captain Mark Johnston has submitted his letter of resignation due to health reasons. A motion by Councilman Clendening, seconded by Councilman Breeden and the Council unanimously accepted the resignation of Captain Johnston with regret. A motion by Councilman Breeden, seconded by Councilman Clendening and the Council unanimously voted to have a plaque made for recognition of years of service for Captain Johnston. Chief Subelsky informed Council that the safety and security upgrades have been completed at the Police Department and invited all the Councilmembers to visit the facility.

#### FINANCE COMMITTEE

Mrs. Arnett informed Council that the Finance Committee had met and recommended that the City adopt a non-capital improvement fee in the amount of \$4,500.00 as advised by the URS Corporation. Upon discussion, a motion by Councilman Matthew Ward, seconded by Councilman Breeden and the Council unanimously voted to adopt the non-capital improvement fee. Mrs. Arnett informed Council that Platinum P.R. has developed the first quarterly newsletter for the City and issued an invoice for \$850.00 for printing. A motion by Councilman Matthew Ward, seconded by Councilman Clendening and the Council unanimously voted to approved the invoice from Platinum P.R. and distribute the newsletter.

#### BOARD OF PARKS AND RECREATION COMMISSIONERS

Ann Paonessa informed the Council that the Parks and Recreation Commissioners had met and would like the Council to consider increasing the City Hotel/Motel tax from 3% to 5%. Upon discussion, a motion by Councilman Matthew Ward, seconded by Councilman Clendening and the Council unanimously voted to refer the request to the Finance Committee and Ordinance Committee.

#### UTILITY BOARD

Mayor Smith read by title and opened the floor for discussion regarding the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921, SEWERS." Mrs. Arnett informed the Council that this amendment was to implement a fee for additional hook ups to the Huntfield Pump Station. Upon discussion, a motion by Councilman Matthew Ward, seconded by Councilwoman Schmitt and

the Council unanimously approved the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921, SEWERS."

#### UNFINISHED BUSINESS

Mayor Smith opened the floor for discussion regarding a decision by Council on May 15<sup>th</sup>, 2006 regarding the draft Comprehensive Plan and Urban Growth Boundary/Study Area. Upon discussion, a motion by Councilman Breeden, seconded by Councilman Clendening and the Council unanimously voted to remove the study area/growth boundary from the draft Comprehensive Plan.

#### NEW BUSINESS

Mayor Smith informed Council that Councilman John Ward has officially submitted his letter of resignation due to health issues. Mayor Smith opened the floor for nominations to replace Councilman John Ward. Councilman Matthew Ward nominated Donna V. Frye and Councilman Breeden nominated Timothy Robinson. A motion by Councilman Breeden, seconded by Councilman Clendening and the Council unanimously voted to close nominations. Mayor Smith informed Council that she had spoken to Mrs. Frye prior to the Council meeting and indicated to the Mayor that she would not seek the vacant seat if Mr. Robinson was interested. Upon discussion, Councilman Matthew Ward withdrew his nomination for Donna V. Frye. A motion by Councilman Clendening, seconded by Councilman Breeden and the Council unanimously voted to appoint Timothy Robinson to Council for a term ending June, 2007.

In accordance with the Codified Ordinances of the City of Charles Town, Part One – Administrative Code, Chapter Three, Legislative, Article 111, Council, Section 111.02, Rules of Council, Paragraphs (s) and (t), Appointment of Committees and Standing Committees Generally. Mayor Smith asked for nominations to fill one vacancy on the Loan Review Committee, Councilman Breeden nominated Councilwoman McDonald and the Council unanimously voted to appoint Councilwoman McDonald to the Loan Review Committee. Mayor Smith asked for nominations to fill one vacancy on the Finance Committee, Councilman Clendening nominated Councilman Robinson and Council unanimously voted to appoint Councilman Robinson to the Finance Committee.

Mayor Smith read by title and opened the floor for discussion regarding the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART ONE, ADMINISTRATIVE CODE, CHAPTER THREE, LEGISLATIVE, ARTICLE 111, COUNCIL." Upon discussion, a motion by

Councilman Breeden, seconded by Councilwoman Schmitt and the Council voted 7-1, with Councilman Ward voting against, to approve the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART ONE, ADMINISTRATIVE CODE, CHAPTER THREE, LEGISLATIVE, ARTICLE 111, COUNCIL."

Mayor Smith read by title and opened the floor for discussion regarding the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES AND PUBLIC SERVICES CODE, CHAPTER ONE, STREET AND SIDEWALK AREAS, ARTICLE 909, SIDEWALKS." A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously approved the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES AND PUBLIC SERVICES CODE, CHAPTER ONE, STREET AND SIDEWALK AREAS, ARTICLE 909, SIDEWALKS."

Mayor Smith read by title by title and opened the floor for discussion regarding the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART FIVE, GENERAL OFFENSES CODE, ARTICLE 509, DISORDERLY CONDUCT AND PEACE DISTURBANCE, SECTION 509.05, CURFEW." A motion by Councilman Jordan, seconded by Councilwoman Schmitt and the Council unanimously voted to approve the first reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART FIVE, GENERAL OFFENSES CODE, ARTICLE 509, DISORDERLY CONDUCT AND PEACE DISTURBANCE, SECTION 509.05, CURFEW."

Mayor Smith read by title and opened the floor for discussion regarding the approval of "RESOLUTION OF THE COUNCIL OF THE CITY OF CHARLES TOWN AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), AND TERMS OF SUCH BONDS; AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; REDESIGNATING THE COMBINED WATERWORKS AND SEWERAGE SYSTEM SUBORDINATE REVENUE BONDS, SERIES 2005 A AS COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B; APPROVING A CONFORMED BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS." Upon discussion, a motion by Councilman Ward, seconded by Councilman Breeden and the Council unanimously voted to

approve "RESOLUTION OF THE COUNCIL OF THE CITY OF CHARLES TOWN AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), AND TERMS OF SUCH BONDS; AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; REDESIGNATING THE COMBINED WATERWORKS AND SEWERAGE SYSTEM SUBORDINATE REVENUE BONDS, SERIES 2005.A AS COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B; APPROVING A CONFORMED BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS."

#### APPOINTMENTS TO COMMITTEES/COMMISSIONS

Mayor Smith informed the Council that there is an expired term on the Planning Commission and the two people who have expressed an interest are Doug Viara and Mark Meredith, Mayor Smith opened the floor for nominations. Councilman Clendening nominated Mark Meredith and Councilman Ward nominated Doug Viara. A motion by Councilman Breeden, seconded by Councilman Ward and the nominations were closed. By a vote of 5-2 Mark Meredith was appointed to the Charles Town Planning Commission (08/01/2006 thru 08/01/2009) with Councilman Breeden, Councilman Clendening, Councilwoman McDonald, Councilman Robinson and Councilwoman Schmitt voting for Mark Meredith and with Councilman Ward and Councilman Jordan voting for Doug Viara.

Mayor Smith informed Council that Betsy Wells has submitted her resignation from the Historic Landmarks Commission effective immediately. Upon discussion, a motion by Councilman Breeden, seconded by Councilwoman Schmitt and the Council unanimously voted to advertise for the vacancy.

A motion by Councilwoman Schmitt, seconded by Councilman Robinson and the Council unanimously voted to go into executive session at 8:46 p.m. to discuss legal issues (W. Va. State Code §6-9A-4 (11 & 12)). A motion by Councilman Breeden, seconded by Councilwoman Schmitt and the Council unanimously voted to reconvene into regular session at 9:47 p.m.

#### REFERRALS TO COMMITTEE

A motion by Councilman Breeden, seconded by Councilwoman McDonald and the Council unanimously voted to refer to Ordinance Committee the implementation of a Business License penalty fee and to refer to Finance Committee a request from the Jefferson County Commission regarding the Ambulance Authority funding shortfall.

A motion by Councilman Clendering, seconded by Councilwoman Schmitt and the Council unanimously voted to approve all bills as presented. A motion by Councilwoman McDonald, seconded by Councilwoman Schmitt and the Council unanimously voted to adjourn at 9:49 p.m.

MAYOR:  DATE: 08/07/06

CLERK:  DATE: 08/07/06

August 7, 2006

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the council room in said city on Monday, August 7<sup>th</sup>, 2006 at 7:00 p.m. The following members of Council were present: Donald W. Clendening, William Jordan, Sandra Slusher McDonald, Timothy Robinson, Amy Schmitt, Matthew Ward and Geraldine Willingham. Mayor Peggy A. Smith presided and Joseph Cosentini, Clerk, took the minutes of the meeting. Also present was Jane Arnett, City Manager, Jeremy Camp, Director of Community Development, and Chief Barry Subelsky.

A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to dispense with the reading of the minutes dated July 17, 2006. A motion by Councilwoman Willingham, seconded by Councilman Clendening and the Council unanimously voted to approve the minutes for the July 17, 2006 regular session of Council as presented.

Mayor Smith began the meeting by swearing in William Carper and William Christian, two new officers for the Charles Town Police Department.

Mayor Smith opened the floor for public comments. Mark Reinhart, 118 N. Lawrence St., appeared before Council to voice his support for the draft Charles Town Comprehensive Plan and that he was happy to have worked on the Citizens Advisory Committee and appreciated the openness of the City Council.

Pat Rissler, 443 Long Marsh Lane, appeared before Council to voice her objection to the proposed "Rules of Council" ordinance and felt that the public has lost the trust of the Council.

Susan Rissler Sheely, 142 Long Marsh Lane, appeared before Council to voice her objection to the proposed "Rules of Council" ordinance and that this should be a government by the people.

Kenneth Page, 140 Paddock Place, appeared before the Council to voice his opposition to the proposed "Rules of Council" ordinance and asked the Council to contact the West Virginia Ethics Commission to receive an Ethics Commission Advisory Opinion on the matter. Mayor Smith informed Mr. Page that the City has already received an Advisory Opinion.

George Rutherford, P.O. Box 44, appeared before the Council to voice the concerns of the Jefferson County NAACP to the proposed "Rules of Council" ordinance and that it is undemocratic to cutoff citizen input.

James Tolbert, P.O. Box 651, appeared before the Council to voice his opposition to the proposed "Rules of Council" ordinance and believes that it is important for the Council to listen their citizens.

Daniel Potter, 32 Edaw Drive, appeared before Council to voice his opposition to the proposed "Rules of Council" ordinance and questioned the approval of a parking lot near the entrance of the Hillside subdivision.

Kevin Barry, 420 S. Mildred Street, appeared before Council to voice his opinion regarding the future annexation requests that will be considered by Council and that annexations should enhance the current quality of life and pay for itself.

Nancy Lutz, 1642 Lloyd Road, appeared before Council to voice her opposition to the proposed "Rules of Council" ordinance and stated that she would boycott everything Charles Town if it is passed.

Mayor Smith introduced Mark Reinhart and Curt Mason, Friends of Happy Retreat, who gave a presentation on the FOHR efforts to purchase Happy Retreat. Mr. Mason asked Council for a donation of \$15,000.00 and informed Council that the County Commission has pledged to match said contribution as long as the City can donate the same. Upon discussion, a motion by Councilman Ward, seconded by Councilwoman McDonald and the Council unanimously voted to refer the request for \$15,000.00 and possible additional funding for Friends of Happy Retreat to the Finance Committee.

#### CITIZENS ADVISORY COMMITTEE REPORT

Director Camp informed the Council that the Citizens Advisory Committee had completed their review of the draft Comprehensive Plan and submit the following recommendations:

- To have the City Planner forward the Citizen's Advisory Committee's editorial remarks of the entire Comprehensive Plan to the Planning Commission for their consideration. These changes include grammatical, format, wording, and context changes that the committee believed was necessary and in the best interest of the City.
- It should be a primary goal of Charles Town to work collectively with neighboring jurisdictions to develop a multi-jurisdictional land use and transportation plan for the purpose of improving coordination between local and state entities; reducing divergent planning activities; and creating a unified vision for the future of the Charles Town area where possible.
- If the draft Future Land Use and Future Transportation Maps are removed or changed by the City, any new or revised maps that illustrate the planning goals of the Comprehensive Plan should be further reviewed by the public before acceptance.
- Substantial educational and visioning processes should be implemented for future planning endeavors of the City, as well as those of other local jurisdictions, to ensure that substantial public input is received in the early stages of the planning process.

#### MAYOR AND COUNCIL REPORTS

Mayor Smith informed the Council that she has received complaints regarding stray cats, asked that the Ordinance Committee review the City sign ordinance, announced that some

members of Council and City staff will be attending the Municipal League conference in Chester, WV and commented on Councilman Ward's recent posting on the "listener" web log.

Councilman Robinson, Ward II, informed Council that trash and debris needs to be cleaned up on South Lawrence Street either by the City or the Board of Education. Councilwoman Schmitt, Ward II, informed Council that she had enjoyed working on the Citizens Advisory Committee and would like to be considered to represent the City if the regional planning commission is ever created and stated that no comments have been received from Councilman Ward regarding the plan. Councilman Clendening, Ward III, informed Council that he would like to see more effort involved in the street sign replacement program. Councilman Matthew Ward, Ward III, asked if City staff could contact the owners of the old Citgo station in the County to see if they could expedite the clean up process and reassured Council that he does support the appointment of Councilman Robinson to the City Council. Councilwoman Willingham, Ward IV, asked Councilman Ward if he could refrain from making statements about her unless he has all of the facts.

#### CHIEF OF POLICE REPORT

Chief Subelsky informed Council that he would like to discuss a few personnel items in an executive session on a later date, the City Police Department had recently played a supporting role in the capture of two bank robbers in the area and has confiscated three weapons from juveniles within the last week.

#### FINANCE COMMITTEE

Councilwoman Willingham informed Council that the Finance Committee had met and makes the following recommendations:

1. The Jefferson County Ambulance Authority request through the Jefferson County Commission by letter dated June 22, 2006 has been tabled until the City can determine what other municipalities are contributing. NOTE: The Finance Committee would also request that the City send a letter to the Jefferson County Commission expressing a strong desire that the Ambulance Authority funding be placed on the November ballot.
2. Fisherman's Hall funding in the amount of \$330.00 and that no additional funds will be provided to this project.
3. That the AHA request be placed in the FY08 funding cycle.
4. That the William H. Gordon bid for Engineering Services to investigate 2<sup>nd</sup> exit from Charles Town Middle School be approved initially in the amount of \$3,500.00
5. That the Hotel/Motel Tax Increase is recommended in the amount of 1% for Tourism and 1% for Parks and Recreation.

Upon discussion, a motion by Councilman Ward, seconded by Councilman Jordan and Council voted 2-5 for the approval of the Finance Committee recommendation with the AHA funding request to be placed on the FY07 funding cycle and to keep the increase in Hotel Motel tax in the City with Councilman Ward and Councilman Jordan voting for said motion and

Councilman Clendening, Councilwoman McDonald, Councilman Robinson, Councilwoman Schmitt and Councilwoman Willingham voting against said motion. A motion by Councilwoman Willingham, seconded by Councilman Clendening and the Council unanimously voted to approve the Finance Committee recommendations as presented and, if State Code allows, keep the increased funding from the Hotel Motel tax in the City.

#### STREET COMMITTEE

Mrs. Arnett informed Council that the Street Committee had met and makes the following recommendations:

1. Approval of the preliminary lighting design task order form View Engineering in the amount of \$5,650.00
2. Approval of the replacement of a utility pole on Lawrence Street by Frontier in order to provide service to Philip Dorsey. The replacement will include the old brick sidewalk 10' on each side of the new pole and an inspection by the City.
3. Approval of one 15 minute parking space for the Daily Grind on Liberty Street for an annual fee of \$450.00

Upon discussion, a motion by Councilwoman Schmitt, seconded by Councilman Robinson and the Council unanimously voted to approve the Street Committee recommendations as presented.

#### UTILITY BOARD

Mayor Smith read by title and opened the floor for the public hearing of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921, SEWERS." Being no speakers, Mayor Smith closed the public hearing. Mayor Smith read by title and opened the floor for the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921, SEWERS." Upon discussion, a motion by Councilman Robinson, seconded by Councilwoman Schmitt and the Council unanimously approved the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921, SEWERS" to be effective upon review of the Public Service Commission and is as follows:

**AMENDMENT TO THE CODIFIED CODES OF THE CITY OF  
CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER  
THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921  
SEWERS**

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 921.18, Sewer Service Rates be AMENDED as follows:

- a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.
- (b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

ESTABLISHMENT OF A SCHEDULE OF JUST AND  
EQUITABLE RATES OR CHARGES FOR SEWER SERVICE:  
USE OF WATER METERS: PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served excluding the entire area know as the Huntfield subdivision.

AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	\$7.96 per 1,000 gallons
Next	8,000 gallons used per month	5.73 per 1,000 gallons
Next	20,000 gallons used per month	5.20 per 1,000 gallons
All over	30,000 gallons used per month	4.61 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$15.92 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$30.25 per month

RESALE RATE

\$3.71 per 1,000 gallons per month

RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

TRANSPORTATION CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$1,009 per month will be credited against the respective bill rendered to Jefferson County Public Service District for reimbursement of fixed debt associated with lift stations needed to transport Charles Town's sewage from the former Sanitary Associates service area. The credit will be given until the indebtedness is satisfied. In addition to the monthly credit of \$1,009, a transportation credit of \$1.65 per thousand gallons shall be provided to the Jefferson County Public Service District for all flows from the former Sanitary Associates area.

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE IIAPPLICABILITY

Applicable within the entire territory known as the Huntfield subdivision

AVAILABILITY

Available for general domestic, commercial, and industrial service

RATES (customers with a metered water supply)

\$11.50 per thousand gallons of metered water usage

MINIMUM CHARGE

No bill will be rendered for less than \$26.98 per month.

The above minimum charge is subject to an additional \$0.71 per thousand gallons per month.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$51.75 per month

MULTIPLE OCCUPANCY

For unmetered trailer parks, the monthly charge for services shall be equal to the number of units multiplied by the unmetered charge provided above.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the new current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT -- RECONNECT FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Charles Town, a disconnect fee of \$10.00 shall be charged. Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Jefferson Utilities, Inc., a disconnection fee of \$20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Charles Town is reconnected, a reconnection fee of \$10.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Jefferson Utilities, Inc. is reconnected, a reconnection fee of \$20.00 shall be charged.

LEAK ADJUSTMENT INCREMENT

\$3.01 per M. gallon is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SCHEDULE III

APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation, or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development, for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$1,127 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below. The funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County PSD and the City of Ranson or their designees and shall be used only for the purpose of improving the City's treatment facilities.

ADDITIONAL CAPACITY IMPROVEMENT FEE - HUNTFIELD PUMP STATION

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee - Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

The usage equivalent for other than single family residential units for the capital capacity improvement fee and additional capacity improvement fee - Huntfield pump station shall be based upon the following:

RESIDENTIAL USAGE EQUIVALENTS  
FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

<u>UNIT</u>	<u>WATER GALLONS/DAY</u>	<u>RESIDENTIAL USAGE EQUIVALENT</u>
Apartments	150/unit	1.0/unit
Bowling	200/alley	1.33/alley
Alleys		
Churches with kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food	35/seat	0.23/seat
Restaurant Bar & Cocktail Lounge (additive)	2/patron	0.013/patron
Tavern- Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry, sanitary	15/person/shift	0.1/person per shift
<u>Institutions:</u>		
Hospital	250/bed	1.67/bed
Nursing	150/bed	1.0/bed
Homes		
Others	75/person	0.5/person
Office	15/person	0.1/person
Buildings		
Laundry	250/washer	1.67/washer
Self Service		
Motels	120/room	0.8/room
Retail	400/toilet room	2.67/toilet room
Stores		
Residence	150/residence	1.0/residence
<u>School:</u>		
Day, no cafeteria/sh owers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/sh owers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil

Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Capacity Theaters	3/seat	0.02/seat
Warehouse	15/employee	0.1/employee

If a unit does not appear on this schedule the sewer department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on August 7, 2006, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading: July 17, 2006

Passed on Second Reading  
(following Public Hearing): August 7, 2006

BY: /s/Peggy A. Smith  
MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on July 17, 2006, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on August 7, 2006, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be

inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

BY: /s/ Joe Cosentini  
CITY CLERK

#### UNFINISHED BUSINESS

Mayor Smith opened the floor for discussion regarding the draft Comprehensive Plan.

Councilman Ward moved that:

"The Charles Town City Council should act to reject the current draft Comprehensive Plan, and return it to the Planning Commission with recommendations that (a) Planning Commission incorporates the four recommendations made by the Citizens' Advisory Committee; and (b) Planning Commission considers and incorporates provisions in the Comprehensive Plan that reflect these 10 guiding principles:

- Charles Town should maintain and enhance the established community;
- Charles Town growth plans should be much more focused on infill and close-in development, especially with plans to bring in new business to the central downtown district;
- Charles Town annexation rules should be changed to ban shoestring annexations and should promote quality over quantity of development. Than Annexation Policy & Procedure should not be a separate document, but instead should be incorporated into the Comp. Plan so that they are consistent with each other, and so that rampant annexations do not override the goals of the Comp. Plan;
- Charles Town should seek quality economic development downtown and close-in;
- Charles Town growth plans should preserve historic, agricultural, scenic, cultural, and environmental assets;
- Charles Town growth plans should emphasize parks, trails, greenspace and recreation;
- Charles Town growth plans should promote high quality residential development, traditional and mixed-use neighborhoods, and walkability;
- Charles Town, Ranson and Jefferson County collaboration is necessary for quality growth;
- The Charles Town process should foster better citizen information and participation; and
- Charles Town should require adequate public facilities and growth that pays for itself."

Upon discussion, Councilman Ward withdrew said motion and moved that:

"The Charles Town City Council should act to amend the current draft Comprehensive Plan, and return it to the Planning Commission with recommendations that (a) Planning Commission incorporates the four recommendations made by the Citizens' Advisory Committee; and (b) Planning Commission considers and incorporates provisions in the Comprehensive Plan that reflect these 10 guiding principles:

- Charles Town should maintain and enhance the established community;
- Charles Town growth plans should be much more focused on infill and close-in development, especially with plans to bring in new business to the central downtown district;
- Charles Town annexation rules should be changed to discourage shoestring annexations and should promote quality over quantity of development. Than Annexation Policy & Procedure should not be a separate document, but instead should be incorporated into the Comp. Plan so that they are consistent with each other, and so that rampant annexations do not override the goals of the Comp. Plan;
- Charles Town should seek quality economic development downtown and close-in;

- Charles Town growth plans should preserve historic, agricultural, scenic, cultural, and environmental assets;
- Charles Town growth plans should emphasize parks, trails, greenspace and recreation;
- Charles Town growth plans should promote high quality residential development, traditional and mixed-use neighborhoods, and walkability;
- Charles Town, Ranson and Jefferson County collaboration is necessary for quality growth;
- The Charles Town process should foster better citizen information and participation; and
- Charles Town should require adequate public facilities and growth that pays for itself."

Upon discussion, said motion was seconded by Councilman Jordan and the Council voted 2-5 for said motion with Councilman Ward and Councilman Jordan voting for and Councilman Clendening, Councilwoman McDonald, Councilman Robinson, Councilwoman Schmitt and Councilwoman Willingham voting against said motion.

Councilman Clendening moved that:

"This Council return the proposed new Comprehensive Plan as has been presented by our City Planning Commission with the request to consider amending this "Draft" of the Charles Town Comprehensive Plan to include the following Changes and return that new draft version to Council.

Suggested changes and/or additions:

To remove the specific growth area plan, illustrated by the Study Area boundary, Future Land Use Plan and Future Transportation Plan, and replace it with a more general plan that does not include a map but recognizes the need for the City of Charles Town to consider annexations in the future that infill or as deemed to enhance the existing City boundaries whereby it may provide (but not limited to) more commercial, employment and affordable housing opportunities.

We recommend also that it would be appropriate to keep a reference that the corridors along WV Route 340 and the WV Route 9 areas in particular are areas that seem best suited for new commercial opportunities in and around the City of Charles Town.

Consideration would also be appropriate for keeping a reference that the City needs to proactively plan for future transportation improvements and that a western collector road and upgrades to existing intersections and railroad overpasses are likely future needs.

Furthermore, we ask that the Charles Town City Planning Commission review and consider the recommendations presented by the "Citizen's Advisory Committee" and change the "Draft" comprehensive Plan as much as possible and as is necessary to adequately address that committees recommendations. This should include the consideration for a multi-jurisdictional land use plan if this becomes a reality between Jefferson County agencies and other Municipalities.

Reasoning: This motion and Suggested changes and/or additions is to give consideration the various issues of concern from public input as well as some council members. Secondly, this will allow the input provided by the "Citizen's Advisory Committee" to be incorporated into the newly proposed or "Draft" Comprehensive Plan."

The motion was seconded by Councilwoman Willingham and, upon discussion, Council voted 4-3 for said motion with Councilman Clendening, Councilwoman McDonald, Councilwoman Schmitt and Councilwoman Willingham voting for the motion and Councilman Jordan, Councilman Robinson and Councilman Ward voting against.

Director Camp informed the Council that the Planning Commission has reviewed the Annexation Policy and submits it to Council for approval. Upon discussion, a motion by Councilman Clendening, seconded by Councilwoman Willingham and the Council voted 5-2 to approve the Annexation Policy with changes to make it W. Va. State Code compliant with Councilman Clendening, Councilwoman McDonald, Councilman Robinson, Councilwoman Schmitt and Councilwoman Willingham voting for said motion and Councilman Jordan and Councilman Ward voting against.

Mayor Smith read by title and opened the floor for discussion regarding the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART ONE, ADMINISTRATIVE CODE, CHAPTER THREE, LEGISLATIVE, ARTICLE 111, COUNCIL." Upon discussion, a motion by Councilman Ward, seconded by Councilman Jordan and the Council voted 3-4 to approve said ordinance with section 15(b) removed, with Councilman Ward, Councilman Jordan and Councilman Robinson voting for said motion and Councilman Clendening, Councilwoman McDonald, Councilwoman Schmitt and Councilwoman Willingham voting against. Upon further discussion, a motion by Councilman Robinson, seconded by Councilman Ward and the Council voted 4-3 to table the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART ONE, ADMINISTRATIVE CODE, CHAPTER THREE, LEGISLATIVE, ARTICLE 111, COUNCIL" with Councilwoman McDonald, Councilman Jordan, Councilman Robinson and Councilman Ward voting for said motion and Councilman Clendening, Councilwoman Schmitt and Councilwoman Willingham voting against.

Mayor Smith read by title and opened the floor for discussion regarding the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES AND PUBLIC SERVICES CODE, CHAPTER ONE, STREET AND SIDEWALK AREAS, ARTICLE 909, SIDEWALKS." A motion by Councilman Ward, seconded by Councilwoman Schmitt and the Council unanimously approved the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES AND PUBLIC SERVICES CODE, CHAPTER ONE, STREET AND SIDEWALK AREAS, ARTICLE 909, SIDEWALKS" effective immediately and is as follows:

**AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 909,**

**SIDEWALKS, SECTION 909.01, DISPLAYING GOODS, WARES OR  
MERCHANDISE ON SIDEWALKS OR PAVEMENT**

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 909.01, Displaying Goods, Wares or Merchandise on Sidewalks or Pavement be AMENDED as follows:

**909.01 DISPLAYING GOODS, WARES OR MERCHANDISE ON  
SIDEWALKS OR PAVEMENT.**

No wholesale or retail merchant, their agents or employees, or any other person, shall place or cause to be placed, on any sidewalk or pavement in the City, any boxes, barrels, tables, baskets, cans or other containers for the purpose of displaying goods, wares, vegetables, foodstuffs or other merchandise for sale. It shall likewise be unlawful for any such person to place or cause to be placed any such goods, wares, vegetables, foodstuffs or merchandise itself on any sidewalk or pavement in the City for the purpose of storing the same or displaying the same to the buying public.

Any wholesale or retail merchant may place on the sidewalk tables and chairs for customers to sit, as long as, in the judgment of designated City Officials, such tables and chairs do not interfere with safety or passage. It shall be a general rule that four feet of walkable space is needed to provide for regular sidewalk use.

**BE IT ORDAINED** that this Ordinance shall take effect and be in full force from and after the 7th, day of August, 2006.

CITY OF CHARLES TOWN  
/s/Peggy A. Smith  
Mayor Peggy A. Smith

Attest:  
/s/Joe Cosentini  
Clerk

Date of First Reading: July 17, 2006  
Passed: August 7, 2006

Mayor Smith read by title by title and opened the floor for discussion regarding the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART FIVE, GENERAL OFFENSES CODE, ARTICLE 509, DISORDERLY CONDUCT AND PEACE DISTURBANCE, SECTION 509.05, CURFEW." A motion by Councilman Robinson, seconded by Councilwoman Willingham and the Council voted 6-1, with Councilman Ward voting against, to approve the second reading of "AN AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART FIVE, GENERAL OFFENSES CODE, ARTICLE 509, DISORDERLY CONDUCT AND PEACE DISTURBANCE, SECTION 509.05, CURFEW" effective immediately and is as follows:

**AMENDMENT TO THE CODIFIED CODES OF THE CITY OF  
CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART FIVE,  
GENERAL OFFENSES CODE, ARTICLE 509, DISORDERLY CONDUCT  
AND PEACE DISTURBANCE, SECTION 509.05, CURFEW.**

**BE IT ORDAINED** by the City Council of the City of Charles Town as follows:

That Article 509, Disorderly Conduct and Peace Disturbance, Section 509.05 of the City Code, be **AMENDED** as follows:

**509.05 CURFEW.**

- (a) No minor under the age of eighteen years of age, such person being defined for the purpose of this and the following sections as a child, shall loiter in or upon the streets, highways, or other public places within the city at night, after 11:00 p.m. For the purpose of this section, Loiter is defined as to stand idly about or to proceed slowly or with many stops.
- (b) No parent, guardian or other person having the legal custody of any child designated in subsection (a) hereof shall allow or permit any such child, ward or other person under the age of eighteen years of age, who is in such legal custody, to loiter in or on the streets, highways, or other public places, within the city at night, after the hour of 11:00 p.m.
- (c) Any child under eighteen years of age found loitering in or upon any streets, highways, or other public places, within the city in violation of subsection (a) shall be taken into custody by the city police and transported to the police department. The parents, guardians, or person having legal custody of such child shall be contacted to come to the police station to retrieve the child. For a first offense violation a written citation or written warning shall be issued to the parents, guardians, or persons having the legal custody of such child so offending. For a second, and all subsequent offenses, a written citation shall be issued to the parents, guardians, or persons having legal custody of the child so offending. The parents, guardians, or persons having legal custody, or persons so offending shall, upon conviction thereof, be punished as provided in Section 509.99.
- (d) Any police officer of the city, in taking a child into custody under the provisions of the preceding section shall use discretion in determining age, and in doubtful cases, may require positive proof, and until such proof is furnished, the police officer's judgment shall prevail.

**BE IT ORDAINED** that this Ordinance shall take effect and be in full force from and after the day of passage thereof, as indicated below.

CITY OF CHARLES TOWN  
/s/ Peggy A. Smith  
Mayor Peggy A. Smith

Attest:  
/s/ Joe Cosentini  
Clerk

Date of First Reading: July 17, 2006  
Date of Passage: August 7, 2006

**NEW BUSINESS**

Mayor Smith read by title and opened the public hearing for Rezoning Petition, REZ 2006-0001, Mao Property. Being no public comments, Mayor Smith closed the public hearing.

Mayor Smith opened the floor for discussion regarding the request by James Campbell, Campbell Miller Zimmerman, for the Council to clarify the condition of annexation of the Dailey Farm relating to the Fiscal Impact analysis. Mrs. Arnett informed Council that this should be referred to Finance Committee. A motion by Councilman Robinson, seconded by Councilwoman McDonald and the Council unanimously voted to refer this request to the Finance Committee.

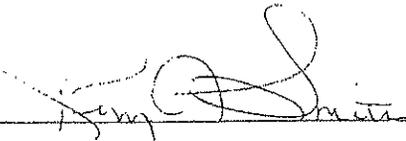
Mike Witteried appeared before Council to give a presentation regarding various items including concerns over the street sign replacement program, the application fees for the Board of Zoning Appeals, the progress of the renovation of the Trapnell House and the off-street parking ordinance.

Mayor Smith informed Council that she had received a banner application from the Jefferson County NAACP for the African American Festival and Parade. A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to approve the banner application.

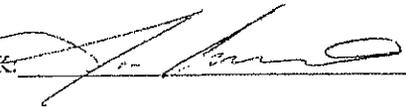
Mayor Smith informed Council that the September 4<sup>th</sup>, 2006 regular meeting of Council falls on Labor Day. A motion by Councilwoman Willingham, seconded by Councilwoman McDonald and the Council unanimously voted to reschedule the Council meeting for Tuesday, September 5<sup>th</sup>, 2006.

A motion by Councilwoman Willingham, seconded by Councilman Robinson and the Council unanimously voted to approve all bills as presented. A motion by Councilman Robinson, seconded by Councilwoman Schmitt and the Council unanimously voted to adjourn at 9:35 p.m.

MAYOR:

  
DATE: 09/21/06

CLERK:

  
DATE: 09/21/06

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B  
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL  
RESOLUTION AND SWEEP RESOLUTION

The undersigned Clerk of the City of Charles Town (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City.

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The Council of the City met in regular session, pursuant to notice duly given, on the 15th day of November, 2010, in Charles Town, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Peggy A. Smith	-	Mayor
	Joseph Cosentini	-	Clerk
	Michael Slover	-	Councilmember
	Chester A Hines	-	Councilmember
	Ann Paonessa	-	Councilmember
	Ruth McDaniel	-	Councilmember
	Richard J. Bringewatt	-	Councilmember
	Donald W. Clendening	-	Councilmember
ABSENT:	Marylois Gannon-Miller	-	Councilmember
	Sandra Slusher McDonald	-	Councilmember

Peggy A. Smith, Mayor, presided, and Joseph Cosentini, 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 presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM) AND

COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF CHARLES TOWN; APPROVING AND RATIFYING THE ARRA ASSISTANCE 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, on motion duly made by Donald Clendenin and seconded by Ann Paonessa, it was unanimously ordered that the above-entitled Supplemental Resolution be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Michael Slover and seconded by Donald Clendenin, it was unanimously ordered that the said Sweep Resolution be adopted.

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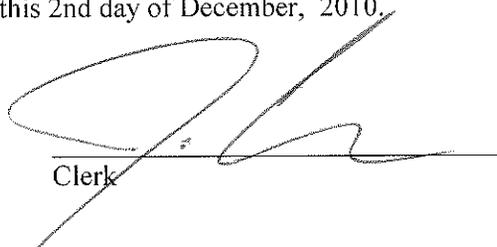
There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

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CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of Charles Town and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 2nd day of December, 2010.

  
Clerk

144220.00026

June 7, 2010

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, June 7, 2010 at 7:00 p.m. The following members of Council were present: Rich Bringewatt, Donald W. Clendening, MaryLois Gannon-Miller, Chet Hines, Ruth McDaniel, Sandra McDonald, Ann Paonessa and Michael Slover. Mayor Peggy A. Smith presided and Joe Cosentini, City Clerk, took the minutes of the meeting. Also present were Gary Rawlings, City Manager, and Chief Barry Subelsky.

A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to dispense with the reading of the minutes dated May 17, 2010. A motion by Councilwoman Paonessa, seconded by Councilman Bringewatt and the Council unanimously voted to approve the minutes dated May 17, 2010 as presented.

#### UNFINISHED BUSINESS

Mayor Smith opened the floor to conduct a public hearing and consider on third reading and act upon a proposed bond ordinance providing for the issuance of its Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (the "Bonds"). The proceeds of the Bonds will be used (i) to pay the Series 2007 A Notes and Series 2010 A Notes; (ii) to fund the Series 2010 C Reserve Account and Series 2010 D Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of their Series and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City. A motion by Councilman Slover, seconded by Councilwoman McDonald and the Council unanimously voted to open the public hearing for public comment at 7:06PM. Being no comments, a motion by Councilman Slover, seconded by Councilwoman McDonald and the Council unanimously voted to close the public hearing. A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council voted 7-1, with Councilwoman Gannon-Miller voting against, to approve the third reading of the proposed bond ordinance providing for the issuance of its Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (the "Bonds") as presented.

#### NEW BUSINESS

Mayor Smith opened the floor for a presentation by J. Michael Cassell on behalf of Cambridge, LLC regarding affordable housing in Jefferson County. Mr. Cassell informed the Council that the various impact fees and capacity improvement fees charged by the local governments in Jefferson County are significantly impacting affordable housing projects currently ongoing in the County. Mr. Cassell introduced Curtis Martin, Cambridge LLC, who informed Council about the different impacts these fees have on a median priced house and an affordable priced house in the County. Mayor Smith informed Council that the Jefferson County Commission has begun reevaluating the impact fee program and have reached out to the municipalities for ideas on how the program can be improved.

Mayor Smith opened the floor for a presentation by Paulette Sprinkle, Executive Director of the Jefferson County Conventions and Visitors' Bureau. Ms. Sprinkle presented the JCCVB annual report and distributed the 2010 JCCVB Marketing Plan.

Mayor Smith opened the floor for a presentation by Walter Washington on behalf of the Charles Washington Happy Retreat Initiative project. Mr. Washington updated Council on the progress being made on the initiative and that the Friends of Happy Retreat are waiting for notification regarding their recent Preserve America grant application.

Mayor Smith opened the floor for a request by the Streets Department to purchase street equipment. Councilman Hines informed the Council that a request has been made to purchase a Kubota Tractor/Loader/Backhoe at a cost of \$52,500.00. The new piece of equipment will assist the Street Department in a variety of ways including yard waste handling, mowing, repairing sidewalks, street repair, park maintenance and many other items. Some of the costs associated with the purchase of the equipment will be offset through the sale of current Street equipment that is not being used including one dump truck and a chipper (already sold). A motion by Councilwoman Paonessa, seconded by Councilman Clendening and the Council unanimously voted to refer the request for the Kubota Tractor/Loader/Backhoe to the Finance Committee. Upon discussion, a motion by Councilwoman Paonessa, seconded by Councilman Clendening and the Council unanimously voted to renew a previously adopted motion at a previous Council meeting to advertise for bids on the unused Street Department dump truck.

Mayor Smith opened the floor for Resolution 2010-11: World Elder Abuse Awareness Day. A motion by Councilman Clendening, seconded by Councilwoman Paonessa and the Council unanimously voted to approve Resolution 2010-11: World Elder Abuse Awareness Day as presented and is as follows:

RESOLUTION 2010-11  
WORLD ELDER ABUSE AWARENESS DAY

Whereas, West Virginia's seniors and disabled adults are valued members of society and it is our collective responsibility to ensure they live safely and with dignity; and

Whereas, combating abuse of older and disabled adults will help improve the quality of life for all seniors and disabled adults in this State, and will allow seniors and disabled adults to continue to live as independently as possible and contribute to the life and vibrancy of West Virginia; and

Whereas, older and disabled West Virginians may be targets for abuse, neglect and exploitation, which can occur in families and communities of all social, economic, racial and ethnic backgrounds; and

Whereas, during fiscal year 2009, the West Virginia Department of Health and Human Services Adult Protective Services program received over 12,735 reports of adult abuse, neglect and exploitation; and

Whereas, in this endeavor, the West Virginia Department of Health and Human Services Adult Protective Services program works closely with partners, both public and private, at the State and local level to serve our senior and disabled adults; and

Whereas, the State of West Virginia and the Adult Protective Services program of the West Virginia Department of Health and Human Resources are committed to protect and provide for the needs of our older and disabled citizens through prevention assessments, investigation of reports, and arrangement of services; and

Whereas, World Elder Abuse Awareness Day offers all West Virginians the opportunity to remember victims of adult abuse and their families, to promote the programs and organizations that serve them, and to participate in community efforts to improve the safety and well-being of all people throughout our State; and

Now, Therefore, Be it Resolved that the City of Charles Town City Council does hereby proclaim June 15, 2010 as:

*World Elder Abuse Awareness Day*

In the Mountain State and encourage all citizens to help prevent the abuse of seniors and disabled adults.

Adopted this 7<sup>th</sup> day of June, 2010.

CITY OF CHARLES TOWN:  
/s/ Peggy A. Smith  
Peggy A. Smith, Mayor

Attest:  
/s/ Joe Cosentini  
City Clerk

Mayor Smith opened the floor for Special Activity Permit 10-11: Labor Day Car Show. A motion by Councilman Hines, seconded by Councilman Bringewatt and the Council unanimously voted to approve Special Activity permit 10-11: Labor Day Car Show as presented.

Mayor Smith opened the floor for the City Council meeting schedule. A motion by Councilwoman Gannon-Miller, seconded by Councilwoman Paonessa and the Council unanimously voted to schedule the next City Council meeting for Tuesday, June 22, 2010 at 7:00PM due to the WV Day holiday with a limited agenda due to the absence of the Mayor. A motion by Councilwoman Paonessa, seconded by Councilman Clendening and the Council unanimously voted to schedule the first meeting in July for Tuesday, July 6, 2010 due to the Independence Day holiday.

#### APPOINTMENTS

Mayor Smith opened the floor for an appointment to the Utility Board. City Council was informed that no letters of interest were received for the vacancy.

Mayor Smith opened the floor for an appointment to the Board of Parks and Recreation Commissioners. A motion by Councilwoman Paonessa, seconded by Councilman Clendening and the Council unanimously voted to appoint Dave Becher to the Board of Parks and Recreation Commissioners to fill a vacancy due to resignation with a term ending December 31, 2012.

Mayor Smith opened the floor for the approval of bills. A motion by Councilman Slover, seconded by Councilwoman McDaniel and the Council unanimously voted to approve all bills as presented.

#### MAYOR AND COUNCIL REPORTS

Mayor Smith informed the Council that the Charles Town Clean-Up Day is scheduled for June 13, 2010 and asked Council members to attend. Mayor Smith further informed Council that the Governor had participated in conference calls with local leaders during the February snow storms and was so impressed with the participation that he will be scheduling regular conference calls with local elected representatives regarding various regional issues. Mayor Smith also informed Council that the Jefferson County Commission held an impact fees summit on May 20, 2010 to discuss the effects of impact fees in the County and that additional meetings are being scheduled with municipal participation encouraged. Finally, Mayor Smith informed Council that the Car Show scheduled for September 4<sup>th</sup> is in need of funding. A motion by Councilman Clendening, seconded by Councilman Hines and the Council unanimously voted to refer the funding request for the Charles Town Car Show in the amount of \$4,000.00 to the Finance Committee.

Councilwoman Gannon-Miller, Ward II, gave Council a brief update on the progress the Planning Commission is making on the revised Zoning and Subdivision ordinances and that the final Subdivision and Land Development public information session is scheduled for June 10 with the public hearing scheduled at Planning Commission for June 28 and that the public information sessions for the Zoning Ordinance have been scheduled for July 12 and July 21 with the public hearing scheduled at Planning Commission for July 26.

Councilwoman Paonessa, Ward III, informed Council that the First Friday Summer Concert Series has begun and the downtown Charles Town concerts are scheduled for August and September. Councilwoman Paonessa further informed Council that some of the downtown merchants are developing a third Thursday promotion and once additional information is available she will provide it to Council.

## CITY MANAGER REPORT

Mr. Rawlings informed Council that he will be giving an extensive report on various projects he has been working on at the July 6, 2010 Council meeting.

## CHIEF OF POLICE REPORT

Chief Subelsky informed Council that he has met with the Oakland United Methodist Church regarding the annual community carnival.

## PERSONNEL COMMITTEE REPORT

Councilman Clendening informed Council that the Committee has met with the City Manager regarding his review and provided Council with a confidential report on the meeting. A motion by Councilwoman Paonessa, seconded by Councilman Bringewatt and the Council unanimously voted to accept the report as presented.

## ORDINANCE COMMITTEE REPORT

Councilwoman Gannon-Miller informed Council that the Ordinance Committee had met and offers the following report:

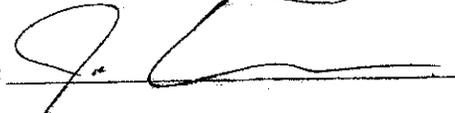
1. The Committee is continuing its work on the Vacant Uninhabitable Structures ordinance and is still gather information regarding the subject from various sources including other Council members, the Building Code, the Maintenance Code and existing ordinances. The City will soon be adopting an updated edition of the International Property Maintenance Code which may contain most of the requirements/provisions that are being proposed in the draft Vacant Uninhabitable Structures ordinance.
2. The Committee has begun reevaluating the B&O Tax ordinance that was re-referred on May 3, 2010. Discussion centered around necessary staffing to track the incentives and possibly forwarding to City Council the remaining sections of the ordinance so that the code could become compliant with the State regulations. Staff will report back to the committee at the June meeting.
3. The Committee has completed its review of the Snow Removal Emergency Plan that was originally drafted by Chief Subelsky. The first reading of the ordinance will be placed on the City Council agenda at the second meeting in June.
4. The Committee has had initial discussions regarding the Utility Board ordinance that was referred to the Committee per the request of Councilman Clendening. The Committee is reviewing the Utility Board Bylaws and existing ordinances in order to develop suggestions for the Mayor's Select Committee on Utility Board Governance or possible ordinance changes.
5. The Committee has discussed the Feral Cats ordinance based on comments received at a Council meeting from Joe Schmitt. Mr. Schmitt asked that the ordinance be changed to allow for Trap Neuter and Release (TNR) practices. The Committee does not recommend changes to the existing ordinance at this time. The ordinance does not currently prevent TNR practices only the feeding of feral cats.

Councilwoman Gannon-Miller further informed Council that a report on the Vacant Uninhabitable Structures ordinance will be given at the next Council meeting. A motion by Councilman Slover, seconded by Councilwoman McDaniel and the Council unanimously voted to accept the report as presented.

Upon discussion, a motion by Councilwoman Paonessa, seconded by Councilman Bringewatt and the Council unanimously voted to have City staff give the Ordinance Committee proposed procedures for the Vacant Uninhabitable Structures ordinance and explain the impact on the ordinance of the 2009 International Property Maintenance and Building Codes.

A motion by Councilwoman McDaniel, seconded by Councilwoman Paonessa and the Council unanimously voted to adjourn at 9:05 PM.

MAYOR:  DATE: 06/22/10

CLERK:  DATE: 06/22/10

**May 3, 2010**

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, May 3, 2010 at 6:00 p.m. The following members of Council were present: Donald W. Clendening, MaryLois Gannon-Miller, Chet Hines (6:25PM), Ruth McDaniel (6:25PM), Ann Paonessa and Michael Slover. Mayor Peggy A. Smith presided and Joe Cosentini, City Clerk, took the minutes of the meeting. Also present were Gary Rawlings, City Manager, Linda Gutsell, City Attorney and Chief Barry Subelsky.

A motion by Councilman Slover, seconded by Councilman Clendening and the Council unanimously voted to enter into executive session at 6:10PM to discuss a pending litigation (§6-9A-4). A motion by Councilman Slover, seconded by Councilwoman Paonessa and the Council unanimously voted to reconvene into regular session at 7:35PM. Councilman Clendening moved that the City authorize Linda Gutsell to work with the County attorneys on a possible resolution to Civil Action No. 06-C-45 and that if no resolution can be reached to proceed with the scheduling of the case for trial. Said motion was seconded by Councilman Hines and, upon discussion, the Council voted 4-2 against said motion with Councilwoman Gannon-Miller, Councilwoman McDaniel, Councilwoman Paonessa and Councilman Slover voting against the motion and Councilman Clendening and Councilman Hines voting for the motion. Upon further discussion, a motion by Councilwoman Paonessa, seconded by Councilwoman Gannon-Miller and the Council unanimously voted to proceed with the status conference scheduled for Tuesday, May 4, 2010 and to request a second status conference be scheduled for a later date in order to provide time for the City Council and County Commission to attempt to work out a solution to the issues in the case, however should the County attorneys refuse to delay the case any further, City Council authorizes Linda Gutsell to proceed with scheduling Civil Action No. 06-C-45 for trial. Councilwoman Paonessa informed Council that the intent behind the motion was to take advantage of the County's willingness to reexamine the impact fee issue.

A motion by Councilman Hines, seconded by Councilwoman McDaniel and the Council unanimously voted to dispense with the reading of the minutes dated April 19, 2010 and April 20, 2010. A motion by Councilwoman McDaniel, seconded by Councilwoman Paonessa and the Council unanimously voted to approve the minutes dated April 19, 2010 and April 20, 2010 as presented.

## NEW BUSINESS

Mayor Smith opened the floor for a presentation by Susan Pritchard regarding the recently opened Washington Street Gallery and Gift. Susan Pritchard appeared before the Council and informed them that the Gallery opened for business on May 2, 2010 and is open daily from noon to 6:00PM. Councilwoman Paonessa further informed Council that Ms. Pritchard is the newest member of CORE.

## MAYOR AND COUNCIL REPORTS

Mayor Smith informed the Council that the Martin Delany Day event will begin at 7:00PM on May 6, 2010, that she attended the Earth Day event at the Job Corps, that she is working with John Hough from American Public University Systems to organize a clean-up day for Charles Town with an effort to move towards establishing a Charles Town recycling program. Councilman Hines, Ward II, informed Council that he visited Shutter Street during the heavy rain to look at the stormwater issue reported at the last Council meeting and that sand bags will be placed to help handle the problem. Councilwoman Gannon-Miller, Ward II, informed Council of the progress on the Subdivision Ordinance and that the Planning Commission has approved a draft for public release. Councilman Clendening, Ward III, informed Council that he is noticing that a lot of homes for sale are not having the grass mowed. Councilwoman Paonessa, Ward III, informed Council that the ONTRAC work plan day went very well and that Terri Cutright, MainStreet Morgantown Director, was very impressed with the progress that CORE has made since September and that Charles Town is ready for a MainStreet Director.

## CITY MANAGER REPORT

Mr. Rawlings informed Council that the City staff report was included in the Council packets, that he is working with two businesses that are interested in locating downtown and that he is working on developing a Tax Increment Financing (TIF) district for downtown to help fund capital projects.

## CHIEF OF POLICE REPORT

Chief Subelsky informed Council that the Department has decided to restart the Charles Town Explorer Post, that individuals were arrested for the vandalism that was occurring at Washington High School and that the Department received the Carl E. Nelson Award for best design software.

## UNFINISHED BUSINESS

Mayor Smith opened the floor for the consideration on second reading of an Ordinance authorizing the issuance by the City of Charles Town of its Combined Waterworks and Sewerage

System Revenue Bonds, Series 2010 A in an amount not to exceed \$1,750,000.00. A motion by Councilman Slover, seconded by Councilman Clendening and the Council voted 5-1, with Councilwoman Gannon-Miller voting against, to approve on second reading an Ordinance authorizing the issuance by the City of Charles Town of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A in an amount not to exceed \$1,750,000.00.

Mayor Smith opened the floor for the second reading of AN ORDINANCE TO APPROVE THE 2010 REPLACEMENT PAGES TO THE CITY OF CHARLES TOWN CODIFIED ORDINANCES. A motion by Councilwoman McDaniel, seconded by Councilman Hines and the Council unanimously voted to approve the second reading of AN ORDINANCE TO APPROVE THE 2010 REPLACEMENT PAGES TO THE CITY OF CHARLES TOWN CODIFIED ORDINANCES as presented and is as follows:

AN ORDINANCE TO APPROVE THE  
2010 REPLACEMENT PAGES  
TO THE CODIFIED ORDINANCES.

WHEREAS, certain provisions within the Codified Ordinances should be amended to conform with current State law; and,

WHEREAS, various ordinances of a general and permanent nature have been passed by Council which should be included in the Codified Ordinances; and,

WHEREAS, Council has heretofore entered into a contract with the Walter H. Drane Company to prepare and publish such revision; and,

WHEREAS, the codification of such ordinances, together with the new matter to be adopted, the matters to be amended and those to be repealed are before the Council;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHARLES TOWN, WEST VIRGINIA;

Section 1. That the ordinances of the City of Charles Town, West Virginia, of a general and permanent nature, as revised, recodified, rearranged and consolidated into component codes, chapters, articles and sections within the 2010 Replacement Pages to the Codified Ordinances are hereby approved and adopted.

Section 2. That the following section and articles are hereby added, amended or repealed as respectively indicated in order to comply with current State law:

General Offenses Code

521.01	Liquor Control Definitions. (Amended)
521.99	Liquor Control Penalty. (Amended)
533.02	Trespass. (Amended)

Section 3. This Ordinance shall become effective from the date of its adoption.

Approved and enacted this 3<sup>rd</sup> day of May, 2010

CITY OF CHARLES TOWN  
/s/ Peggy A. Smith  
Mayor Peggy A. Smith

Attest:  
/s/ Joe Cosentini  
Clerk

Date of First Reading: 04/19/2010  
Date of Passage: 05/03/2010

NEW BUSINESS

Mayor Smith opened the floor for the first reading of an AMENDMENT TO THE CODIFIED ORDINANCES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART SEVEN, BUSINESS REGULATION AND TAXATION CODE, CHAPTER THREE, TAXES AND SERVICE CHARGES, ARTICLE 745, BUSINESS AND OCCUPATION TAX. A motion by Councilwoman Paonessa, seconded by Councilwoman Gannon-Miller and the Council unanimously voted to refer back to the Ordinance Committee the AMENDMENT TO THE CODIFIED ORDINANCES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART SEVEN, BUSINESS REGULATION AND TAXATION CODE, CHAPTER THREE, TAXES AND SERVICE CHARGES, ARTICLE 745, BUSINESS AND OCCUPATION TAX for the reexamination of the tax incentives section.

Mayor Smith opened the floor for referrals to committee. A motion by Councilman Slover, seconded by Councilman Clendening and the Council unanimously voted to refer the City of Charles Town health insurance coverage to the Finance Committee.

Mayor Smith opened the floor for the approval of bills. A motion by Councilwoman Paonessa, seconded by Councilwoman McDaniel and the Council unanimously voted to approve all bills as presented.

A motion by Councilwoman McDaniel, seconded by Councilwoman Paonessa and the Council unanimously voted to adjourn at 8:30 PM.

MAYOR:  DATE: 05/17/10

CLERK:  DATE: 05/17/10

April 19, 2010

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, April 19, 2010 at 7:00 p.m. following a worksession with the City of Charles Town Utility Board. The following members of Council were present: Rich Bringewatt, Donald W. Clendening, MaryLois Gannon-Miller, Chet Hines, Ruth McDaniel, Sandra McDonald, Ann Paonessa and Michael Slover. Mayor Peggy A. Smith presided and Joe Cosentini, City Clerk, took the minutes of the meeting. Also present were Gary Rawlings, City Manager, Tara Hostler, Accounting Manager, Jane Arnett, Utility Manager, and Chief Barry Subelsky.

A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to dispense with the reading of the minutes dated April 6, 2010. A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to approve the minutes dated April 6, 2010 with one amendment.

#### NEW BUSINESS

Mayor Smith opened the floor for the consideration on first reading of an Ordinance authorizing the issuance by the City of Charles Town of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A in an amount not to exceed \$1,750,000.00. John Stump, Steptoe and Johnson, appeared before Council to present information regarding the bond issuance which will permanently finance design and other pre-project costs for the Tuscowilla Phase I and Phase II projects. A motion by Councilman Hines, seconded by Councilman Clendening and the Council voted 7-1, with Councilwoman Gannon-Miller voting against, to approve on first reading an Ordinance authorizing the issuance by the City of Charles Town of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A in an amount not to exceed \$1,750,000.00. ✓

Mayor Smith opened the floor for Resolution 2010-10: Martin Delany Day. A motion by Councilwoman McDonald, seconded by Councilwoman Paonessa and the Council unanimously voted to approve Resolution 2010-10: Martin Delany Day as presented and is as follows:

#### RESOLUTION 2010-10 MARTIN DELANY DAY

Whereas, Martin Robison Delany was born in Charles Town, VA(now WV) near the intersection of Charles and Washington Street on May 6, 1812; and  
Whereas, Martin Delany was taught by his mother, Pati, to read which violated Virginia law that prohibited Blacks from reading; and  
Whereas, Martin and his Mother as well as his five siblings left Charles Town and moved to Chambersburg, PA, where Blacks could openly read and write without persecution; and

Whereas, Martin Delany later became a barber and a laborer, later a physician's assistant and then a physician; and

Whereas, Martin Delany married Catherine A. Reynolds and fathered eleven children and in 1843, began publishing "The Mystery", an influential weekly focusing on Black issues and was the only such publication in all the United States; and

Whereas, from 1847 to 1849, he co-edits "The North Star" newspaper with Black leader, Frederick Douglas; and

Whereas, After being admitted to Harvard Medical School, white northern students protested the presence of Delany and two other Black students and they were forced to leave the school; and

Whereas, in 1852, Delany publishes "The Condition, Elevation, Emigration and Destiny of the Colored People of The United States," and he argues no hope for long-term success of Blacks and urged emigration to Africa; and

Whereas, In 1858, he speaks to a convention in Chatham, Ontario, Canada, at the request of John Brown, but did not encourage Brown's Raid on Harpers Ferry, VA; and

Whereas, He traveled to Africa, and England lecturing and confronted the American ambassador at a convention causing an international diplomatic incident; and

Whereas, In 1863, after the Emancipation Proclamation, he renewed his faith in the American dream, persuaded and recruited Blacks to fight for the Northern States becoming a part of the Massachusetts 104th Regiment; and

Whereas, in 1865, Dr Delany met with President Abraham Lincoln proposing Black field officers; President Lincoln was highly impressed with him and wrote Secretary of War E.M. Stanton asking him to give Delany the first field officer commission given a Black, calling him an "... extraordinary and intelligent Black man"; and

Whereas, In 1868, Major Delany resigned his commission, and became active in Reconstruction era politics, runs for Lieutenant Governor of South Carolina, losing but with strong support, is appointed trial justice by the Republican Party; later, he is appointed Sub-assistant Commissioner for the newly-formed Freedman's Bureau; and

Whereas, in 1885, Dr Delany died at home in Wilberforce, Ohio;

NOW THEREFOR, BE IT RESOLVED, that the City of Charles Town, on Dr Delany's 198th birthday, does recognize May 6, 2010 as Martin Delany Day.

Adopted this 19<sup>th</sup> day of April, 2010.

CITY OF CHARLES TOWN:

/s/ Peggy A. Smith  
Peggy A. Smith, Mayor

Attest:  
/s/ Joe Cosentini  
City Clerk

Mayor Smith opened the floor for the first reading of AN ORDINANCE TO APPROVE THE 2010 REPLACEMENT PAGES TO THE CITY OF CHARLES TOWN CODIFIED ORDINANCES. A motion by Councilwoman Paonessa, seconded by Councilman Clendening and the Council unanimously voted to approve the first reading of AN ORDINANCE TO APPROVE THE 2010 REPLACEMENT PAGES TO THE CITY OF CHARLES TOWN CODIFIED ORDINANCES as presented.

Mayor Smith informed Council that the City had received Special Activity Permit #10-10: Pro-life March to be held on May 8, 2010.

Mayor Smith opened the floor for the approval of bills. A motion by Councilwoman McDaniel, seconded by Councilwoman McDonald and the Council unanimously voted to approve all bills as presented.

#### MAYOR AND COUNCIL REPORTS

Mayor Smith informed the Council that the Charles Town Utility Board will be conducting hydrant flushing over the next few weeks and that she threw out the first pitch, a strike, for the Charles Town/Ranson Little League over the weekend. Councilwoman McDonald, Ward I, asked staff how the first day of Spring Clean-up was going. Mr. Rawlings informed Council that the City had collected two roll-offs full of yard waste, two roll-offs full of trash and two dump trucks full of metal. Councilwoman Paonessa, Ward III, informed Council that the ONTRAC work plan day has been scheduled for Wednesday, April 21, 2010 from 1-6PM. Councilman Slover, Ward IV, informed Council that there is a pothole located in the 100 block of N. Mildred Street and one behind Wright Denny Intermediate School.

#### CITY MANAGER REPORT

Mr. Rawlings informed Council that his annual evaluation is due and the Personnel Committee has set up the process. Mr. Rawlings reported to Council on impact fees and informed Council that Linda Gutsell will attend the next Council meeting to give an update on the litigation against the County Commission. Mr. Rawlings reported to Council on the costs associated with the blizzard in February. Council asked that Mr. Rawlings show the specific cost breakdown of all money spent during the cleanup effort. Mr. Rawlings informed Council that a Community Development/Staff report will be presented at the next meeting.

#### CHIEF OF POLICE REPORT

Chief Subelsky informed Council that the Department has begun using the Nixle notification program and have received positive feedback from the community.

#### FINANCE COMMITTEE REPORT

Councilman Slover informed Council that the Finance Committee had met and recommends the following for Council approval:

1. That the previously approved \$20,000.00 donation to the Friends of Happy Retreat to be used for gap funding be paid out of Hotel/Motel tax
2. That the donation of funds be allocated as follows:

	<b>Recommended by Fin Com</b>	<b>Fund</b>
Boys & Girls Club	9,000.00	Gen
CASA	2,000.00	Gen
Charles Town/Ranson Little League	1,000.00	Gen
Citizens Fire Company	10,000.00	Gen

Eastern Panhandle Free Clinic	11,000.00	Gen
Focus	1,500.00	Gen
Friends in Action	500.00	Gen
Good Shepherd Caregivers	1,500.00	Gen
Independent Fire Company	10,000.00	Gen
Jeff Co Ambulance Authority/Emg Services	7,500.00	Gen
Jeff Co Community Ministries	3,000.00	Gen
Jefferson Co Schools Scholarship Fund	250.00	Gen
Jefferson Memorial Park	10,000.00	H/M
Kiwanis Club	1,000.00	Gen
Meals on Wheels	1,250.00	Gen
Old Charles Town Library	10,000.00	H/M
Old Opera House	10,000.00	H/M
Page-Jackson Elem School	1,500.00	H/M
Pan Tran	10,000.00	Gen
Washington High School	1,000.00	Gen
WHS Vocal Music	250.00	H/M
WHS Baseball Boosters	250.00	Gen
Wright Denny Elem School	1,500.00	Gen
<b>Total:</b>	<b>\$104,000.00</b>	
<b>General Fund</b>		<b>\$72,250.00</b>
<b>Capital Reserve</b>		<b>\$0.00</b>
<b>Hotel/Motel</b>		<b>\$31,750.00</b>

A motion by Councilman Clendening, seconded by Councilwoman Paonessa and the Council unanimously voted to approve the Finance Committee recommendations as presented.

#### UNFINISHED BUSINESS

Mayor Smith opened the floor for the second reading of an AMENDMENT TO THE CODIFIED ORDINANCES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART ONE, ADMINISTRATIVE CODE, CHAPTER THREE, LEGISLATIVE, ARTICLE 111, COUNCIL. A motion by Councilwoman McDaniel, seconded by Councilwoman Gannon-Miller and the Council unanimously voted to approve the second reading of an AMENDMENT TO THE CODIFIED ORDINANCES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART ONE, ADMINISTRATIVE CODE, CHAPTER THREE, LEGISLATIVE, ARTICLE 111, COUNCIL as presented and is as follows:

**AMENDMENT TO THE CODIFIED CODES OF THE CITY OF  
CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART ONE,  
ADMINISTRATIVE CODE, CHAPTER THREE, LEGISLATIVE,  
ARTICLES 111, COUNCIL.**

**BE IT ORDAINED** by the City Council of the City of Charles Town as follows:

That Article 111, Council, Section 111.01, Rules of Council, be **AMENDED** as follows:

#### 111.01 RULES OF COUNCIL

1. TIME AND PLACE OF MEETINGS.
  - (a) Regular Meetings. The regular meetings of Council shall be held at the Council Chambers located at 101 East Washington Street, on the

first and third Mondays in each month at 7:00 p.m. A list of regular meeting dates will be available on the City bulletin board and website. If the City Council shall determine that the Council Chambers in City Hall are not or will not, for any reason, be an appropriate place for the holding of a meeting, the Council may, upon motion, second and unanimous vote, designate another place open to the public within the city for the holding of such meeting.

(b) Special Meetings. The Mayor, the presiding officer of Council, or any three members may call special meetings of Council by reasonable notice to each member within the City. A special meeting notice will be issued along with an agenda announcing any special meeting as well as the purpose of said meeting.

2. AGENDAS.

(a) The City Clerk shall prepare a written agenda for all scheduled meetings which shall consist of items submitted by the Mayor, City Council members, the Public and the City Manager.

(b) The agenda shall be posted on the bulletin board for City meetings located at 105 South George Street and on the City website four days prior to the scheduled meeting. Revisions to the posted agenda can be made, however, this amended agenda must be made available three days in advance of the scheduled meeting. For purposes of calculating the number of days in any notice period contained in these rules Saturdays, Sundays and legal holidays are excluded.

3. PRESIDING OFFICER.

(a) The Mayor shall take the chair at the hour appointed for Council to meet, and having called the members to order, shall preserve decorum and enforce a strict observance of these rules.

(b) In the absence of the Mayor, the Mayor Pro-Tem shall take the chair and assume all duties as appointed the Mayor. In the absence of both the Mayor and Mayor Pro-Tem and a quorum still being in attendance, the present members will elect the chair and that member will assume the duties appointed to the Mayor.

(c) Upon the opening of an agenda item, the Presiding Officer shall introduce or cause to be introduced each item on the Council agenda prior to a motion, debate and vote on the item.

(d) The Presiding Officer can remove any member of the public attending a scheduled meeting of the City Council that is disruptive, to the extent that orderly conduct of the meeting is compromised, from the meeting with the assistance of a member of the Police Department upon proper direction.

4. FILING OF PAPERS TO BE INTRODUCED AT CITY COUNCIL MEETINGS, AND ACTION THEREON BY THE CITY CLERK.

In order to promote the orderly conduct of the business of the City Council and the timely preparation of an accurate agenda, the following rules are hereby established:

(a) All ordinances, resolutions, petitions, committee reports, communications and other documents for consideration by the City Council must be filed in the office of the City Clerk not later than 12:00 noon three business days immediately preceding the day of the meeting at which it is intended they be considered; the Mayor and City manager may file the relevant documents no later than 5:00PM three business days prior to the meeting at which they are being considered.

(b) The written agenda and all related and supporting documentation for consideration at the intended meeting shall be distributed by the City Clerk to the Mayor and City Council.

(c) Nothing herein shall be construed to prohibit any member of the City Council, at the proper order of business, from introducing or submitting any ordinance, resolution, petition, committee report or communication during any regular meeting. Unless it is determined to be an emergency item, official action on any item presented to Council in this manner is prohibited until proper placement on the next Council agenda.

## 5. ORDER OF BUSINESS AT REGULAR MEETINGS.

- (a) The order of business for each regular meeting shall be:
1. Approval of the minutes
  2. Public Comments
  3. Reports
  4. Unfinished business
  5. New business
  6. Appointments to Committees/Commissions
  7. Referrals to Committees/Commissions
  8. Approval of Bills
  9. Adjournment

(b) The presiding officer may order that any agenda item be repositioned as to provide for a more efficient meeting.

## 6. READING AND APPROVAL OF THE MINUTES.

The minutes of the proceedings of the previous meeting shall be read and any alterations or corrections may be submitted and entered on the record. After the reading of the minutes, the minutes shall be approved by a majority vote of Council. Upon motion, duly approved, reading of the minutes of the previous meeting minutes may be dispensed with.

## 7. MAKING ENTRIES IN THE MINUTE BOOK.

No remarks, voting explanations or words spoken in debate by any member of the City Council shall be reproduced in the journal except by unanimous consent of the members of the Council present.

## 8. MOTIONS.

When a motion is made and seconded, it shall be stated by the presiding officer, or if in writing, read by the City Clerk previous to debate; and such motion may be withdrawn at any time before decision or amendment.

## 9. COMMITTEES.

(a) Appointment of Committees. Standing committees shall be appointed by Council, and Select Committees by the Mayor, unless otherwise ordered.

(b) Standing committees shall be as follows:

- (1) Finance.
- (2) Street.
- (3) Personnel.
- (4) Ordinance.
- (5) Loan Review.

(c) Select Committees shall be created and dissolved at the discretion of the Mayor.

(d) Committee Reports. Reports of committees shall be in writing and shall specify such action as the committee may recommend for adoption by Council.

## 10. RULES OF DEBATE.

(a) No moved question shall be debated until it has been propounded by the presiding officer, and then the mover shall have the right to explain his view in preference to any other member. When two or more members of the City Council wish to speak, the presiding officer shall name the person to speak; but in all cases, the member who first makes the request shall speak first.

(b) No one shall disturb or interrupt a member who is speaking, without his permission, except to call to order if he is transgressing the rules or to call the question.

## 11. CALL FOR A DIVISION OF A QUESTION.

Any member of the City Council may call for a division of any question before a vote is taken thereon if it comprehends propositions in substance so distinct that, if one proposition be taken away, another substantive proposition remains for decision by the City Council; but a member of the City Council calling for a division of a question shall state in what manner the question shall be divided.

## 12. WHEN A MEMBER ABSTAINS FROM VOTING.

No member shall vote on any question before the City Council if he is directly and immediately interested therein other than as a citizen of the City of Charles Town; however, no member may abstain from voting without, prior to discussion, having stated his reason for not participating and having obtained a ruling from the presiding officer excusing him from doing so.

## 13. RESCISSION, AMENDMENT AND SUSPENSION OF RULES.

(a) No standing order or rule of the City Council shall be rescinded or amended except by a majority vote of the members elected to the City Council.

(b) No rule of the City Council shall be suspended in any case except by unanimous consent of the council members present, provided, that no rule shall be suspended if compliance wherewith is made mandatory by state law, the City Charter or an ordinance of the City of Charles Town.

## 14. PARLIAMENTARY RULES OF ORDER.

These rules of Council, the Charles Town City Charter, state law and other rules duly adopted by City Council shall govern the City Council. In all cases not provided for, the presiding officer shall decide, subject to an appeal by a member of City Council which shall then be determined by the rules of parliamentary usage comprised in the most recent edition of "Robert's Rules of Order."

## 15. MEMBERS OF THE PUBLIC SPEAKING BEFORE CITY COUNCIL.

(a) A member of council may ask the floor for a member of the public to speak before council, which said motion is nondebatable. Upon such request, the presiding officer shall inquire of the councilmember the subject matter of the inquiry. Council, by majority vote, shall determine whether or not the person shall be allowed to address council. Any person addressing council shall be allowed no more than five minutes to address his remarks, unless by majority vote, council allows a longer period of time.

(b) A maximum of twenty minutes shall be set aside at the beginning of each meeting of the Council to permit members of the public, without leave of council, to address the council on any matter pertaining to the city's business with a maximum of five minutes per person. Any member of the public wishing to address the council shall first register with the city clerk, or his designated representative for such purpose, in the council's chambers not earlier than 15 minutes before the beginning of each meeting setting forth his or her name, the group, if any, on whose behalf he or she wishes to speak, their address and the subject matter which he or she wishes to speak. If members of the public are still waiting to speak after the twenty minute time period has expired Council shall hold an additional public comment period for twenty minutes upon completion of business if so decided by Council by majority vote. Nothing in this rule 15(b) shall affect the ability of a member of council to request that a member of the public be allowed to speak pursuant to rule 15(a).

**NOW, THEREFORE, BE IT ORDAINED**, that this Ordinance shall take effect and be in full force from and after the date of passage thereof, as indicated below.

CITY OF CHARLES TOWN

/s/ Peggy A. Smith

Mayor Peggy A. Smith

Attest:

/s/ Joe Cosentini

Clerk

Date of First Reading: 04/06/2010

Date of Passage: 04/19/2010

Mayor Smith opened the floor for the second reading of an AMENDMENT TO THE  
CODIFIED ORDINANCES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH

REGARD TO PART NINE, STREETS, UTILITIES AND PUBLIC SERVICES CODE, CHAPTER THREE, UTILITIES, ARTICLE 926, UNDERGROUND UTILITIES. A motion by Councilman Hines, seconded by Councilwoman McDaniel and the Council unanimously voted to approve the second reading of an AMENDMENT TO THE CODIFIED ORDINANCES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES AND PUBLIC SERVICES CODE, CHAPTER THREE, UTILITIES, ARTICLE 926, UNDERGROUND UTILITIES as presented and is as follows:

**AMENDMENT TO THE CODIFIED ORDINANCES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES AND PUBLIC SERVICES CODE, CHAPTER THREE, UTILITIES, ARTICLE 926, UNDERGROUND UTILITIES.**

**BE IT ORDAINED** by the City Council of the City of Charles Town as follows:

That ARTICLE 926, Underground Utilities, of the City Code be **AMENDED** as follows:

**926.01 PURPOSE.**

The Council believes it to be desirable and in the public interest to assure orderly municipal development and to provide for the safety and convenience of its inhabitants. To this end, all utilities as hereinafter defined shall be placed, constructed and installed underground. The ultimate goal of the City is to place all utilities underground. All costs associated with the requirements of this article shall be borne by the persons or companies owning or operating the utilities system.

**926.02 APPLICATION ENFORCEMENT.**

Application enforcement shall be by the City of Charles Town Planning Commission with whom the Council designates this responsibility.

**926.03 UTILITIES SYSTEM DEFINED.**

Utilities system shall include, but not limited to electric, communications, street lighting and cable television lines. The appurtenances and associated equipment of said system such as, but not limited to, surface mounted transformers, pedestal mounted terminal boxes and meter cabinets, and concealed ducts in an underground system shall not be included in said definition and may be properly placed upon or about the ground when approved by the Planning Commission.

**926.04 UNDERGROUND ELECTRIC WIRE INSTALLATION.**

In addition to any other requirements of this article, the following shall be applicable to the installation of electric and communication distribution system of all utilities.

- (a) Every permanent extension of any distribution lines, circuits, and systems and any service lateral providing permanent electric power service, communications service or other associated utility services shall be installed underground for:
- (1) Any new installation of buildings, signs, street lights or other structures where the service lateral is street fed;
  - (2) Any new subdivision or home;
  - (3) Any new development or industrial park containing new commercial or industrial buildings.
- (b) Any permanent replacement, relocation or reconstruction of more than four hundred yards of any distribution line, circuit or system of any such utility and any service lateral shall be installed underground when for or made in connection with street paving, street widening, public utility installation and other such projects. Such requirements may be waived by the Planning Commission when it is not technically or economically feasible, subject to final approval by City Council.
- (c) Wherever any part or portion of the distribution system of any such utilities in an area of this Municipality is now located underground, such part or

portion shall remain underground and any replacement, relocation, reconstruction, repair and extension thereof shall be installed underground.

**926.05 EXCEPTION, EMERGENCY OR UNUSUAL CIRCUMSTANCES.**

(a) Notwithstanding the provisions of this article, the Planning Commission may grant special permission on such terms as they may deem appropriate in cases of emergency or other unusual circumstances, without discrimination as to any person or utility, to temporarily erect, construct, install, maintain, use or operate poles, overhead wires and associated overhead structures for periods up to nine (9) months. Said permits may be renewed for additional six-month periods upon good cause shown.

(b) Upon showing unusual circumstances of a permanent nature which cause extreme hardship, the Planning Commission may recommend to Council and Council may grant special permission to a person or utility to erect, construct, install, maintain, use or operate poles, overhead wires and associated structures within the corporate limits of this Municipality.

**926.06 LIABILITY AND CLAIMS.**

All persons and companies providing electrical distribution and communications services under this article shall at all times save the City harmless from all damages arising from all accidents, injuries, or any damage whatsoever that may be caused to any person or property due to the installation or use of any underground wiring, conduit or cables installed pursuant to the terms of this article and upon a ten (10) day notice from the City shall appear and defend all suits for damages against the City as a result of any such accident, injury or damage.

**926.07 APPLICATION FOR UNDERGROUND SPACE.**

When a utility system is required to be placed underground by this article, the owner and operator of such utility system shall have the duty to apply for space for the utilities system. Persons or companies making application for spaces for underground facilities shall present their application and location drawings to the Planning Commission clearly indicating the type of underground system to be used, whether the system is to be a joint system to include electric supply and communications facilities, and specifying the proposed start and duration of the construction and the part of the street needed for construction. When such system, plans and specifications have been approved by the Planning Commission, applicants who are unable to show financial responsibility to the satisfaction of the Planning Commission may be required to deposit with the City a sufficient sum to defray the cost of re-paving that portion of the street, sidewalk, or other surface used by them in case such paving is required. Repaving of surfaces must match the paving material and style that existed prior to the undergrounding of utility systems.

**926.08 ISSUANCE OF PERMIT.**

The City shall then issue a permit for such applicant granting the right to enter upon such streets as may be necessary, designating that portion that such applicant may be permitted to use and the location of their underground facilities. Any questions arising regarding the amount of space to be allowed any applicant or the location of their underground facility shall be determined by the Planning Commission, and where a disagreement arises with reference to the Planning Commission's decision, the said decision may be appealed to the Council for final determination.

**926.09 INSTALLATION OF UNDERGROUND FACILITY.**

(a) Underground facilities shall be located in the designated space as approved by the Planning Commission. All excavations for the purpose of placing facilities underground shall be made in accordance with specifications as approved by the Planning Commission. Periodic inspections of excavations and back-filling procedures will be conducted by representatives of the City to insure adherence and compliance to specifications.

(b) The top of all duct and cable system structures shall be located at a sufficient depth, in accordance with the National Electric Safety Code, to protect the system from injury.

(c) All utility companies shall keep current records and plats of all underground facilities they own and operate. Such plats shall be available to all other utility companies and this Municipality immediately upon the request of the City Manager or Planning Commission.

(d) In the repair, addition or change of any underground facilities, no person or company shall be permitted to interfere with the underground facilities

of any other person or company, except so far as shall be necessary to make such repairs, additions or changes. All such repairs, additions, or changes shall be made in accordance with specifications as approved by the Planning Commission and the Commission shall be notified before work thereon is commenced.

(e) Conditions requiring emergency street opening and for repair may be handled at the discretion of the City Manager.

(f) All companies laying underground facilities under provisions of this article shall begin such work at a time fixed by the Planning Commission and shall proceed with the construction of the same following the time scheduling as ordered by the Planning Commission.

**926.10 STREET LIGHTING.**

(a) Where a new development, whether residential, commercial, or industrial is established incorporating a street lighting system, that lighting system shall have underground wiring and the style approved by the Planning Commission.

(b) The electrical service for the street lighting system shall be supplied to the area underground as authorized by the Planning Commission.

**926.11 AUTHORIZED SERVICEMEN.**

Those employees designated or authorized by any utility to enter any building areaway, or other private place, for the purpose of placing, extending, or repairing any wires, cables, conduits, or other fixtures pertaining to the underground electric service, shall be furnished appropriate identification, which shall be displayed upon request. No person except those designated shall seek to enter any private place under pretense of being employed on such service and no authorized servicemen shall in any way alter, remove or interfere with the wires, cables, conduits or fixtures of any person or company other than that in whose employ he may be, without proper authority from the owners or agents thereof.

**926.12 EXISTING POLES, WIRES.**

Nothing in this article shall be construed as prohibiting necessary repairs to any poles or wires properly in use within the corporate limits of this Municipality. Major reconstruction or system upgrades shall not be considered "necessary repairs". Major reconstruction or system upgrades to existing pole and/or wires shall trigger the requirement for undergrounding of such utility system.

**926.13 VIOLATIONS.**

A person who violates the terms of this article shall be fined not more than five hundred dollars (\$500.00). Each day said violation continues shall constitute a separate offense. The City of Charles Town may seek and obtain injunctive relief requiring compliance with this article.

**BE IT ORDAINED** that this Ordinance shall take effect and be in full force from and after the date of passage thereof, as indicated below.

CITY OF CHARLES TOWN  
/s/ Peggy A. Smith  
Mayor Peggy A. Smith

Attest:  
/s/ Joe Cosentini  
Clerk

Date of First Reading: 04/06/2010  
Passed: 04/19/2010

A motion by Councilwoman McDonald, seconded by Councilwoman McDaniel and the

Council unanimously voted to adjourn at 7:45 PM.

MAYOR:  DATE: 05/03/10

CLERK:  DATE: 05/03/10

**NOTICE OF PUBLIC HEARING ON THE CITY OF  
CHARLES TOWN BONDS ORDINANCE**

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Charles Town (the "City") to be held on Monday, June 7, 2010, at 7:00 p.m. at the City Hall, Charles Town, West Virginia, and at such hearing any person interested may appear before the City and present protests, 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:

CITY OF CHARLES TOWN

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2007 A NOTES AND THE SERIES 2010 A NOTES OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$1,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN \$750,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (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 BOND PURCHASE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-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 (i) to pay the Series 2007 A Notes and Series 2010 A Notes; (ii) to fund the Series 2010 C Reserve Account and Series 2010 D Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City.

The above-entitled Ordinance was adopted by the Council of the City of Charles Town on May 3, 2010. 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/ Peggy A. Smith  
Mayor

5/26/2010

**Certificate of Publication**  
JEFFERSON PUBLISHING COMPANY, INC., Publisher  
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. May 26 20 10

I hereby certify that the annexed Notice of public hearing

in the case of City of Charles Town bonds ordinance

has been published once a week for two successive weeks, in the Spirit of Jefferson Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of May 26 & June 2, 20 10

as required by law.



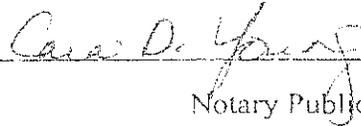
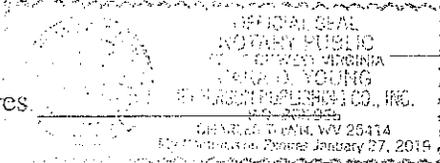
Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia  
County of Jefferson

Personally appeared before me, Craig See, Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.

Commission expires



Notary Public



**WV MUNICIPAL BOND COMMISSION**

1207 Quarrier Street  
Suite 401  
Charleston, WV 25301  
(304) 558-3971

**NEW ISSUE REPORT FORM**

Date of Report: 12/2/2010

ISSUE: City of Charles Town  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

ADDRESS: 832 South George Street, Charles Town, West Virginia 25414 COUNTY: Jefferson

PURPOSE OF ISSUE:

New Money: X  
Refunding: \_\_\_\_\_

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 12/2/2010

CLOSING DATE: 12/2/2010

ISSUE AMOUNT: \$500,000

RATE: 0%; 0.5% Admin Fee

1ST DEBT SERVICE DUE: 9/1/2011

1ST PRINCIPAL DUE \$4,167

1ST DEBT SERVICE AMOUNT \$4,167

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: Bank of Charles Town  
Contact: Joshua Householder  
Phone: 304.728.2432

ESCROW TRUSTEE:

Firm: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT

Contact: Peggy A. Smith  
Position: Mayor  
Phone: 304.725.2316

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. Fund \$ \_\_\_\_\_  
To Other: \_\_\_\_\_ \$ \_\_\_\_\_

NOTES: The Series 2010 D Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: \_\_\_\_\_  
TRANSFERS REQUIRED: \_\_\_\_\_

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Bank of Charles Town, Charles Town, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Charles Town (the "Issuer") enacted by the Issuer on June 7, 2010, and a Supplemental Resolution adopted by the Issuer on November 15, 2010 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, in the aggregate principal amount of \$1,250,000 (the "Series 2010 C Bonds") and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, in the aggregate principal amount of \$500,000 (the "Series 2010 D Bonds"), and agrees to serve as Depository Bank in connection with the Series 2010 C Bonds and Series 2010 D Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 2nd day of December, 2010.

BANK OF CHARLES TOWN

  
Its: Authorized Officer

144220.00026

5428995

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(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 Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, in the aggregate principal amount of \$1,250,000 and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, in the aggregate principal amount of \$500,000 (collectively, the "Series 2010 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2010 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2010 Bonds.

WITNESS my signature on this 2nd day of December, 2010.

THE HUNTINGTON NATIONAL BANK  
Charleston, West Virginia

By:   
Its Authorized Officer

144220.00026

CITY OF CHARLES TOWN

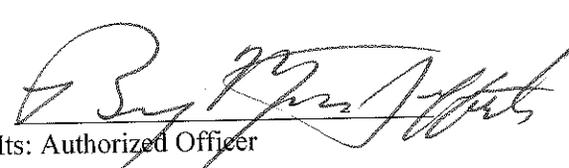
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

The Huntington National Bank, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certifies that on the date hereof, the single, fully registered Combined Waterworks and Sewerage System Design Revenue Bond, Series 2010 C (West Virginia SRF Program), of the City of Charles Town (the "Issuer"), dated December 2, 2010, in the principal amount of \$1,250,000, numbered CR-1; and the single fully registered Combined Waterworks and Sewerage System Design Revenue Bond, Series 2010 D (West Virginia SRF Program), of the City of Charles Town (the "Issuer"), dated December 2, 2010, in the principal amount of \$500,000, numbered DR-1, were 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 Registrar.

WITNESS my signature on this 2nd day of December, 2010.

THE HUNTINGTON NATIONAL BANK  
Charleston, West Virginia

By:   
Its: Authorized Officer

144220.00026

5429103

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 2nd day of December, 2010, by and between the CITY OF CHARLES TOWN, municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,250,000 principal amount of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), and \$500,000 principal amount of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), in fully registered form (collectively, the "Series 2010 Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted June 7, 2010, and a Supplemental Resolution of the Issuer duly adopted November 15, 2010 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2010 Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2010 Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Series 2010 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: City of Charles Town  
Post Office Box 14  
Charles Town, West Virginia 25414-0014  
Attention: Mayor

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 Series 2010 Bonds in accordance with the Bond Legislation.

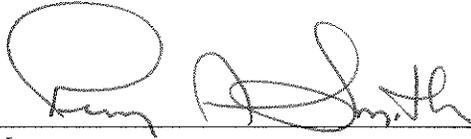
9. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

10. 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.

CITY OF CHARLES TOWN



\_\_\_\_\_  
Mayor

THE HUNTINGTON NATIONAL BANK  
Charleston, West Virginia

By:   
Its: Authorized Officer

144220.00026

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group  
P.O. Box 633 - WE3013  
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES  
Invoice Date December 2, 2010

City of Charles Town  
Account Number 6089001809

City of Charles Town  
Combined Waterworks and Sewerage System  
Design Revenue Bonds, Series 2010 C  
c/o John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

\*\*\*\*\*  
FEE CALCULATION FOR December, 2010  
\*\*\*\*\*

TOTAL AMOUNT	\$ 500.00
TOTAL DUE	<u>\$ 500.00</u>

**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

Private Financial Group  
P.O. Box 633 - WE3013  
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES  
Invoice Date December 2, 2010

City of Charles Town  
Account Number 6089001809

City of Charles Town  
Combined Waterworks and Sewerage System  
Design Revenue Bonds, Series 2010 D  
c/o John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

\*\*\*\*\*

FEE CALCULATION FOR December, 2010

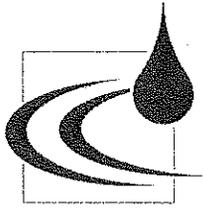
\*\*\*\*\*

TOTAL AMOUNT	\$ 500.00
TOTAL DUE	<u>\$ 500.00</u>

**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



WEST VIRGINIA

**Water Development Authority**

*Celebrating 36 Years of Service 1974 - 2010*

December 2, 2010

City of Charles Town

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of J C Kunkle & Associates, 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 entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) (the "Series 2010 C Bonds"), in the original aggregate principal amount of \$1,250,000, and the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program) (the "Series 2010 D Bonds") in the original aggregate principal amount of \$500,000 (collectively, the "Bonds" or the "Series 2010 Bonds"), by the City of Charles Town (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 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 ("Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 ("Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 ("Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 ("Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 ("Series 1998 Design Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 ("Series 2000 A Bonds"); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 ("Series 2002 A Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of

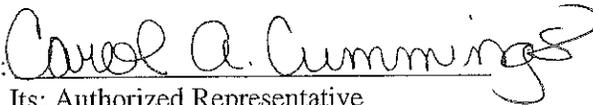
180 Association Drive, Charleston, WV 25311-1217

Phone (304) 558-3612 / fax (304) 558-0299

[www.wvwda.org](http://www.wvwda.org)

\$3,600,000 ("Series 2002 B Bonds"); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458 ("Series 2010 A Bonds"); and (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 ("Series 2010 B Bonds"), (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By:   
Its: Authorized Representative

1442200.00026



# CERTIFICATE OF LIABILITY INSURANCE

OP ID: CM

DATE (MM/DD/YYYY)

10/14/10

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 <b>Commercial Insurance Services</b> 340 MacCorkle Ave. Ste #200 Charleston, WV 25314 Trip King	304-345-8000 304-345-8014	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: <b>CHAR-16</b>
INSURED <b>Charles Town Utility Board</b> Jane Arnett, Utility Manager 832 South George Street Charles Town, WV 25414	INSURER(S) AFFORDING COVERAGE INSURER A: <b>Argonaut Great Central Ins. Co</b> INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC #

## COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

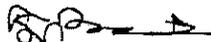
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJ <input type="checkbox"/> LOC			PE-4622082-00	08/01/10	08/01/11	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COMP/OP AGG \$ 6,000,000 Emp Ben. \$ 1,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PE-4622082-00	08/01/10	08/01/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$			PE-4622082-00	08/01/10	08/01/11	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	PE-4622082-00	08/01/10	08/01/11	WC STATUTORY 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

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Certificate holder is named as additional insured as respects Water Project at City of Charles Town.

## CERTIFICATE HOLDER

## CANCELLATION

<b>WVDCCHA</b>  <b>WV Water Development Authority</b> 180 Association Drive Charleston, WV 25311	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 
--	---

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**STEP TOE &  
JOHNSON**  
P L L C  
ATTORNEYS AT LAW

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

Writer's Contact Information

## **CLOSING MEMORANDUM**

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** December 2, 2010  
**Re:** City of Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program); and Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program)

---

### **1. DISBURSEMENTS TO THE CITY OF CHARLES TOWN**

Payor: West Virginia Department of Environmental Protection  
Source: Series 2010 C Bonds Proceeds  
Amount: \$110,804  
Form: Wire  
Payee: City of Charles Town, 101 East Washington Street, Charles Town, WV 25414  
Bank: Bank of Charles Town  
Routing #: 057-001418  
Account #: 505028406  
Contact: Joshua Householder (304) 728-2432  
111 East Washington Street, Charles Town, WV 25414  
Account: Series 2010 Bonds Project Trust Fund

Payor: West Virginia Department of Environmental Protection  
Source: Series 2010 D Bonds Proceeds  
Amount: \$500,000  
Form: Wire  
Payee: City of Charles Town, 101 East Washington Street, Charles Town, WV 25414  
Bank: Bank of Charles Town  
Routing #: 057-001418  
Account #: 505028406  
Contact: Joshua Householder (304) 728-2432  
111 East Washington Street, Charles Town, WV 25414  
Account: Series 2010 Bonds Project Trust Fund

**II. DISBURSEMENTS TO THE MUNICIPAL BOND COMMISSION**

Payor: City of Charles Town  
Source: Series 2010 C Bonds Proceeds  
Amount: \$-0-  
Form: Check  
ABA No: 051503394  
Account No: 5270517317  
Bank: BB&T for the benefit of Municipal Bond Commission  
Contact: Sara Boardman  
Purpose: Pay the Series 2007 A Notes

**III. DISBURSEMENTS TO THE BANK OF CHARLES TOWN**

Payor: City of Charles Town  
Source: Series 2010 Bonds Project Trust Fund (\$500,000)  
Source: City of Charles Town (\$2,166.66)  
Amount: \$502,166.66  
Form: Internal bank transfer  
Payee: Bank of Charles Town  
Contact: Joshua Householder (304) 728-2432  
111 East Washington Street, Charles Town, WV 25414  
Account: Pay in Full the series 2010 A Notes

144220.00026

**CHARLES TOWN SEWER**

**RESOLUTION OF THE CITY OF CHARLES TOWN UTILITY BOARD APPROVING INVOICES  
RELATING TO PRE- CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED  
WASTEWATER PROJECT AND AUTHORIZING PAYMENT THEREOF,**

WHEREAS, the City of Charles Town Utility Board has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the water project funded by the Clean Water State Revolving Fund (SRF):

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

**NOW, THEREFOR, BE IT RESOLVED** the City of Charles Town Utility Board by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor		Total	SRF (2010 C)	SRF (2010 D)
Steptoe & Johnson	✓	25,000.00	25,000.00	0
Huntington Bank	✓	1,000.00	1,000.00	0
Black & Veatch (task #20)	✓	40,060.89	40,060.89	0
RK&K	✓	44,743.00	44,743.00	0.00
Bank of Charles Town (payoff 2010 A BAN)	Principal	500,000.00	0.00	500,000.00
	Interest	✓ To be paid by City	0	0
MBC – payoff 2007 A BAN		0	0	0
<b>Total</b>		<b>610,803.89</b>	<b>110,803.89</b>	<b>500,000.00</b>

ADOPTED BY the City of Charles Town Utility Board, at the meeting held on the 22nd day of September, 2010.

By:   
Its: Chairman

PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

2. SRF PROJECT \_\_\_\_\_

NAME: City of Charles Town

3. INVOICE NUMBER 1

ADDRESS: 832 S. George St

4. PERIOD COVERED BY THIS REQUEST:  
FROM (MO/DAY/YR TO (MO/DAY/YR)

Charles Town, WV 25414

PHONE: (304) 725-2316

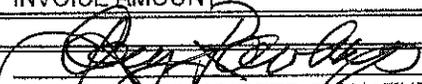
5. PERCENTAGE OF PHYSICAL

FEIN: 55-6000159

CONSTRUCTION COMPLETION

0%

CLASSIFICATION SERIES 2010 D	A) APPROVED BUDGET	B) PREVIOUS APPROVED TOTALS	C) THIS REQUEST	D) TOTAL COLUMNS B & C	E) AGENCY USE ONLY
1) CONSTRUCTION	0.00		0	0	
a. Change Orders	0.00		0	0	
2) TECHNICAL					
a. Task Order 20	0.00		0.00	0.00	
b. RKK task order	0.00		0.00	0.00	
3) Legal / Fiscal	0.00		0.00	0.00	
4) ADMINISTRATIVE	0.00		0.00	0.00	
5) LAND	0.00		0.00	0.00	
6) R-O-W ACTIVITY	0.00		0.00	0.00	
7) LOAN REPAYMENT (2007)	0.00		0.00	0.00	
Loan repayment (2010)	500,000.00		500,000.00	500,000.00	
8) MISCELLANEOUS / PERMITS	0.00		0.00	0.00	
9) RESERVE FUND	0.00		0.00	0.00	
10) CLOSING COST	0.00		0.00	0.00	
11) SUBTOTAL	500,000.00		500,000.00	500,000.00	
12) LESS PREVIOUSLY PAID					
14) INVOICE AMOUNT					

15)  RECIPIENT AUTHORIZED SIGNATURE DATE: <u>09-27-10</u> <u>GARY RAWLINGS CHAIR</u> TYPED OR PRINTED NAME AND TITLE	16) PERSON PREPARING FORM SIGNATURE Date: _____ Jane Arnett TYPED OR PRINTED NAME AND TITLE
---	---

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
PROJECT REVIEWER _____	DATE _____	AUTHORIZED OFFICER _____	DATE _____

ACCOUNTING CLASSIFICATION - DEP USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350 - 1 350 - 2	_____

PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

2. SRF PROJECT \_\_\_\_\_

NAME: City of Charles Town

3. INVOICE NUMBER: 1

ADDRESS: 832 S. George St

4. PERIOD COVERED BY THIS REQUEST:  
FROM (MO/DAY/YR) TO (MO/DAY/YR)

Charles Town, WV 25414

PHONE: (304) 725-2316

5. PERCENTAGE OF PHYSICAL  
CONSTRUCTION COMPLETION \_\_\_\_\_

FEIN: 55-6000159

0%

CLASSIFICATION SERIES 2010 C BONDS	A) APPROVED BUDGET	B) PREVIOUS APPROVED TOTALS	C) THIS REQUEST	D) TOTAL COLUMNS B & C	E) AGENCY USE ONLY
1) CONSTRUCTION	0.00		0	0	
a. Change Orders	0.00		0	0	
2) TECHNICAL					
a. Task Order 20	60,000.00		40,060.89	40,060.89	
b. RKK task order	94,000.00		44,743.00	44,743.00	
3) Legal / Fiscal	0.00		0.00	0.00	
4) ADMINISTRATIVE	0.00		0.00	0.00	
5) LAND	0.00		0.00	0.00	
6) R-O-W ACTIVITY	0.00		0.00	0.00	
7) LOAN REPAYMENT (2007)	1,070,000.00		0.00	0.00	
Loan repayment (2010)	0.00		0.00	0.00	
8) MISCELLANEOUS / PERMITS	0.00		0.00	0.00	
9) RESERVE FUND	0.00		0.00	0.00	
0) CLOSING COST	26,000.00		26,000.00	26,000.00	
1) SUBTOTAL	1,250,000.00		110,803.89	110,803.89	
2) LESS PREVIOUSLY PAID					
3) INVOICE AMOUNT					

5)  RECIPIENT AUTHORIZED SIGNATURE DATE: <u>09-27-16</u> <u>GARY RAWLINGS</u> <u>CHAIR</u> TYPED OR PRINTED NAME AND TITLE	16) PERSON PREPARING FORM SIGNATURE Date: _____ <u>Jane Arnett</u> TYPED OR PRINTED NAME AND TITLE
---	--

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION			
PROJECT REVIEWER _____	DATE _____	AUTHORIZED OFFICER _____	DATE _____

ACCOUNTING CLASSIFICATION - DEP USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350 - 1	_____
350 - 2	_____

# DEBIT CONFIRMATION

**Transaction reference number:** 2010120200003930      **Value Date:** 10/12/02

**Account number:** 17

**Account name:** WV STATE TREASURER'S OFFICE  
1 PLAYERS CLUB DRIVE  
CHARLESTON WV 25311-1638

**Reference number:** 1202E3QP021C000548

**Transaction Posting Time:** 2010/12/02 11:04:38

**Amount:** 610,804.00      **Currency:** US dollar

**Debit Party Information:** 17/  
WV STATE TREASURER'S OFFICE  
1 PLAYERS CLUB DRIVE  
CHARLESTON WV 25311-1638

**Sender's reference:** 1944334WTQP

**Credit Party Information:** 18  
BANK OF CHARLES TOWN  
CHARLES TOWN, WV

**Beneficiary Party Information:** 406  
CITY OF CHARLES TOWN  
101 EAST WASHINGTON STREET  
CHARLES TOWN WV  
25414

**Originator to Beneficiary  
Information:**

WATER WKS AND SEWAGE SYS DESIGN REV  
BNDS SERIES 2010 C,D WV SRF PROGMC  
CONTACT: JOSHUA HOUSEHOLDER 304 728-  
2432

## SWEEP RESOLUTION

**WHEREAS**, the City of Charles Town (the "Issuer") is a governmental body and political subdivision of West Virginia;

**WHEREAS**, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

**WHEREAS**, the Issuer makes monthly debt service payments on the Bonds by check 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;

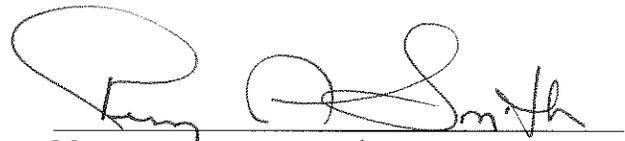
**WHEREAS**, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

**WHEREAS**, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

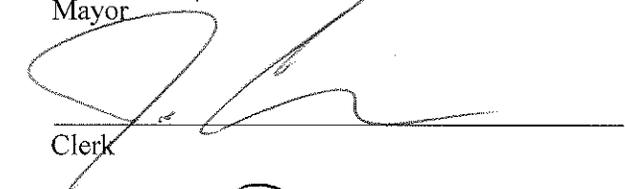
### **NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

- 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 Mayor, Clerk and City Manager 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 15th day of November, 2010.



\_\_\_\_\_  
Mayor



\_\_\_\_\_  
Clerk



\_\_\_\_\_  
City Manager

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C; and  
Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D  
(West Virginia SRF Program)

RECEIPT OF PAYMENT OF SERIES 2010 A NOTE

The undersigned duly authorized representative of Bank of Charles Town, Charles Town West Virginia (the "Bank"), the Holder of the City of Charles Town Combined Waterworks and Sewerage System Bond Anticipation Notes, Series 2010 A, dated March 10, 2010 issued in the original aggregate principal amount of \$500,000 (the "Series 2010 A Note") hereby certifies and declares that on December 2, 2010, the Bank received from the City of Charles Town (the "Issuer") the sum of \$500,993.05 and that such sum is sufficient to pay in full the entire outstanding principal of and all accrued interest on the Series 2010 A Note to the date hereof and to discharge all liens, pledges and encumbrances securing the Series 2010 A Note.

Dated this 2nd day of December, 2010

BANK OF CHARLES TOWN

  
Authorized Officer

Prior Debt CD is enclosed.