

**TOWN OF PADEN CITY
Water Revenue Bonds,
Series 2001 A
(United States Department of Agriculture)**

Date of Closing: April 26, 2001

BOND TRANSCRIPT

STEPTOE & JOHNSON PLLC

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

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

TOWN OF PADEN CITY

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BOND TRANSCRIPT

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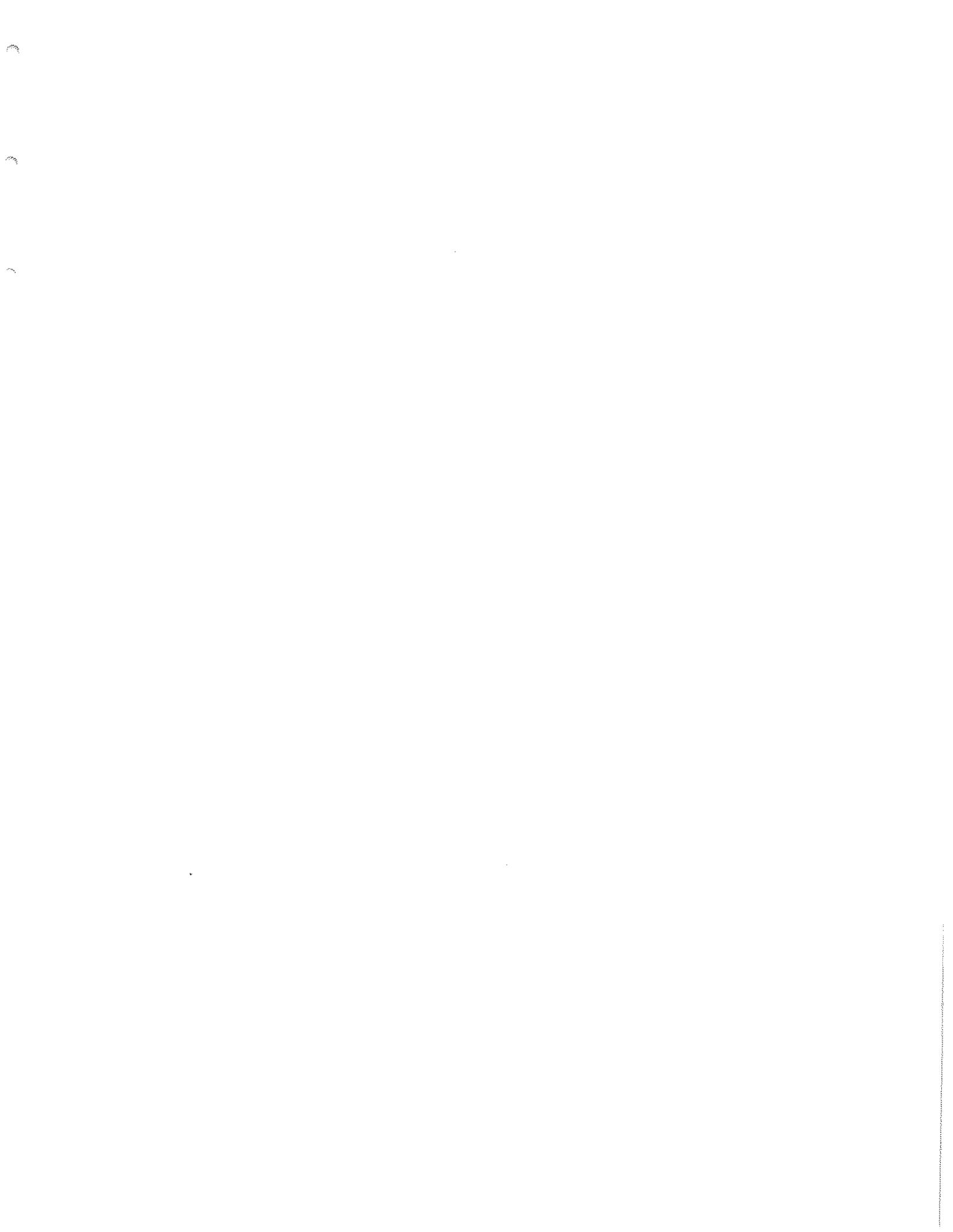
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04/16/01
683590/00001



TOWN OF PADEN CITY

Water Revenue Bonds, Series 2001 A

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TOWN OF PADEN CITY

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF PADEN CITY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF PADEN CITY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Paden City (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Tyler and Wetzel Counties of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public waterworks system and desires to acquire, construct and operate certain additional public waterworks facilities consisting of additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and

improvements to the existing waterworks system of the Issuer, consisting of installation of raw water transmission lines from wells to the treatment plant, a water aeration treatment plant, 50 gate valves (East Rt. 2 and North Main Street), 5,000 feet of 8 inch PVC loop, replace 5,000 feet of 4 inch line with 8 inch PVC waterlines, and replace 100 gate valves, and all appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is \$2,000,000, of which \$1,800,000 will be obtained from the proceeds of sale of the Bonds herein authorized, and \$200,000 will be a cash contribution from the Issuer.

E. It is necessary for the Issuer to issue its Water Revenue Bonds Series 2001 A (United States Department of Agriculture), in the aggregate principal amount of \$1,800,000 (the "Series 2001 A Bonds"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2001 A Bonds prior to, during and for 6 months after estimated completion of such, acquisition and construction of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2001 A Bonds or the repayment of indebtedness incurred for costs of the Project by the Issuer for such purposes shall be deemed Costs of the Project.

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

G. There is an outstanding obligation of the Issuer which will rank on a parity with the Series 2001 A Bonds as to liens, pledge and source of and security for

payment, being the Water Revenue Bond, Series 1982, of the Issuer, dated December 2, 1982, issued in the original aggregate principal amount of \$361,000 (the "Series 1982 Bond"). The Series 1982 Bond is referred to as the "Prior Bonds." The Prior Bonds are currently held by the Purchaser. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2001 A Bonds as to liens, pledge and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, the ordinances and resolutions authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

H. It is in the best interest of the Issuer that the Series 2001 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated March 13, 2000, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2001 A Bonds, or will have so complied prior to issuance of the Series 2001 A Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2001 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2001 A Bonds.

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

"Act" means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended.

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

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Recorder.

"Bonds" means, collectively, the Series 2001 A Bonds and the Prior Bonds.

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

"Consulting Engineer" means S & S Engineers, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means Wesbanco Bank, Paden City, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" or "Council" means the Council of the Issuer.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the Town of Paden City, a municipal corporation and political subdivision of the State of West Virginia, in Tyler and Wetzel Counties, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated March 13, 2000, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2001 A Bonds in the then current or any succeeding year.

"Mayor" means the Mayor of the Issuer.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and 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 principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 2001 A Bonds and into the respective reserve accounts and the Depreciation Reserve have been made to the last monthly date prior to the date of such retention.

"Ordinances" means, collectively, the Prior Ordinances and the Bond Legislation.

"Prior Bonds" means the Water Revenue Bond, Series 1982 of the Issuer described in Section 1.02(G) hereof.

"Prior Ordinances" means the ordinance of the Issuer, enacted September 9, 1981, authorizing the issuance of the Series 1982 Bond, as supplemented.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

- (a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which

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

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

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

"Recorder" means the Recorder of the Issuer.

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

"Reserve Funds" means, collectively, the respective reserve funds for the Bonds and the Prior Bonds.

"Revenues" or "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.

"Series 1982 Bond" means the Water Revenue Bond, Series 1982, of the Issuer, described in Section 1.02G hereof.

"Series 2001 A Bonds" means the Water Revenue Bonds, Series 2001 A (United States Department of Agriculture) authorized hereby to be issued pursuant to this Bond Legislation.

"State" means the State of West Virginia.

"System" means the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the waterwork system from any source whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2001 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2001 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$2,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2001 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2001 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2001 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of \$1,800,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2001 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 2001 A Bonds shall bear interest from date of delivery, payable monthly at the rate of 5.5% per annum, and shall be sold for the par value thereof.

The Series 2001 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2001 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2001 A Bonds, and the right to the principal of and stated interest on the Series 2001 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2001 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2001 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2001 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2001 A Bonds.

Section 3.04. Bond Registrar. The Bond Registrar will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2001 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2001 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2001 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2001 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2001 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2001 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2001 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2001 A Bonds shall cease to be such officer of the Issuer before the Series 2001 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2001 A Bonds had not ceased to hold such office. The Series 2001 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2001 A Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2001 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2001 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2001 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2001 A Bonds the Issuer

may pay the same, and, if such Series 2001 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 2001 A Bonds shall be secured forthwith by a lien on the Gross Revenues derived from the System, on a parity with the Prior Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2001 A Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2001 A Bonds and Prior Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2001 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF BOND)

TOWN OF PADEN CITY

WATER REVENUE BONDS, SERIES 2001 A

\$1,800,000

No. AR-1

Date: March 28, 2001

FOR VALUE RECEIVED, the Town of Paden City (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000), plus interest on the unpaid principal balance at the rate of 5.50% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$9,432, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on March 19, 2001, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH THE BORROWER'S WATER REVENUE BOND, SERIES 1982, DATED DECEMBER 2, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$361,000, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS.

IN WITNESS WHEREOF, the Town of Paden City has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF PADEN CITY

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor

(Title of Executive Official)

P.O. Box 211

(P.O. Box No. or Street Address)

Paden City, West Virginia 26159

(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder

(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

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 Borrower with full power of substitution in the
premises.

Dated: _____, _____.

In presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank.

The following special funds or accounts are hereby created and established with (or continued if previously established or continued by the Prior Ordinances), and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by the Prior Ordinances and continued hereby);
- (2) Depreciation Reserve (established by the Prior Ordinances and continued hereby); and
- (3) Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission.

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

- (1) Series 1982 Bond Reserve Account (established by the Prior Ordinances as the "Reserve Fund," transferred from the Depository Bank to the Commission and continued hereby); and
- (2) Series 2001 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account.

The proceeds of sale of the Series 2001 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2001 A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to System Revenues and Funds.

So long as the Series 2001 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2001 A Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2001 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the Holder of the Series 2001 A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Ordinances.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

(1) The Issuer shall first, each month, on or before the due date of payment of each installment on the Prior Bonds and the Series 2001 A Bonds, transfer from the Revenue Fund and remit to the National Finance Office, the amounts required to pay the interest on the Prior Bonds and the Series 2001 A Bonds and to amortize the principal of the Prior Bonds and the Series 2001 A Bonds over the respective life of each Bond issue. All payments with respect to principal of and interest on the Prior Bonds and Series 2001 A Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to the Commission for deposit into the Series 1982 Bond Reserve Account, the amount required by the Prior Ordinances; and (ii) to the Commission for deposit into the Series 2001 A Bonds Reserve Account, 0.4167% of the Minimum Reserve, until the amount in the Series 2001 A Bonds Reserve Account equals the Minimum Reserve. Moneys in the Series 2001 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2001 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2001 A Bonds, or for mandatory prepayment of the Series 2001 A Bonds as hereinafter provided, and for no other purpose; provided, however, that when the Minimum Reserve has been accumulated in the Series 2001 A Bonds Reserve Account, all earnings of investments of moneys therein shall at least annually be transferred to and deposited in the Revenue Fund.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Reserve, (i) the amount required by the Prior Ordinances; and (ii) 0.4167% of the Minimum Reserve, until the amount in the Series 2001 A Bonds Reserve Account equals the Minimum Reserve, and thereafter, 0.8334% of the Minimum Reserve, so long as the Series 2001 A Bonds are outstanding; provided, however, that in the event Revenues are insufficient to fund the Series 2001 A Bonds Reserve Account in accordance with Section 4.04B(2)(ii) above, or a withdrawal of funds from the Series 2001 A Bonds Reserve Account is made, payment of Revenues into the Depreciation Reserve as provided in this Section 4.04B(3)(ii) shall not be made, but instead Revenues shall be applied to the replenishment of the Series 2001 A Bonds Reserve Account until such deficiency is cured, at which time payments into the Depreciation Reserve as provided in this Section 4.04B (3) (ii) shall resume. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of interest on and principal of the Prior Bonds and the Series 2001 A Bonds as the same become due, and next to restore to the Series 1982 Bond Reserve Account and the Series 2001 A Bonds Reserve Account any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for replacements, repairs, improvements or extensions to the System.

(4) The Issuer shall next each month pay from the moneys in the Revenue Fund all current Operating Expenses of the System.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein, may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the moneys in the Series 2001 A Bonds Reserve Account shall be sufficient to prepay the Series 2001 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2001 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Depreciation Reserve as herein provided, and all amounts required for the Depreciation Reserve will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2001 A Bonds Reserve Account as herein provided, and all amounts required for the Series 2001 A Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and Electronically transferred to the Commission on the dates required hereunder.

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

All funds provided for in this Article (excluding the Project Construction Account) shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Depository Bank and the Commission shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2001 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then outstanding.

Subject to the Prior Ordinances, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the moneys in the Series 2001 A Bonds Reserve Account and the Depreciation Reserve invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or in the Prior Ordinances, or unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Investment Management. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings on moneys in the Series 2001 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bonds, provide evidence that there will be at least 1,275 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

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

I. RESERVE FUNDS. Pursuant to the Supplemental Resolution adopted as of the date hereof, the Issuer agrees that on the date set forth in the Supplemental Resolution, moneys in the Series 1982 Bond Reserve Fund shall be transferred from the Depository Bank to the Commission. Once the funds have been transferred to the Commission, the Issuer shall continue to make payments to the Reserve Fund in accordance with the Prior Ordinance and as stated herein, except that such payment shall be made to the Commission rather than the Depository Bank.

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of the advances of principal of the Series 2001 A Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$1,800,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into a credit agreement or similar agreement with a bank or other lender acceptable to the Purchaser. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2001 A Bonds. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2001 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2001 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2001 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2001 A Bonds.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2001 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2001 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued after the issuance of the Series 2001 A Bonds pursuant hereto, except with the prior written consent of the Purchaser.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2001 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or

stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2001 A Bonds.

C. VEHICULAR PUBLIC LIABILITY INSURANCE, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the Issuer is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of

the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2001 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2001 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2001 A Bonds, provided that, such statutory mortgage lien shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Series 2001 A Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2001 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser as provided in the Act, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise

all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct and as provided in the Act.

Section 5.09. Fiscal Year; Budget. While the Series 2001 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next preceding year by more than 10%; and provided further that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of enactment hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books, accounts and records of the System, in accordance with the Act, 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, including, without limitation, the amount of Revenues received from the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants, which report of such audit shall be open to the public for inspection at all

reasonable times, and the Issuer shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and repair and maintain the System as a revenue-producing utility as herein provided so long as the Series 2001 A Bonds are outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on May 3, 1999, which rate ordinance is incorporated herein by reference as a part hereof.

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

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served of equal degree, rank and priority with the lien on such premise of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

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

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

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises. The Issuer shall additionally have such powers as provided under the Act with respect to collection of rates and charges for the System.

G. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from

discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

H. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

I. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder and under the Prior Ordinances, but in any event, not less than 110% of the annual debt service on the Bonds outstanding.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2001 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2001 A Bonds, the pledge of Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2001 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2001 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2001 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Bond, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.05. Prior Ordinances; Conflicting Provisions Repealed. The Prior Ordinances and all parts thereof not changed hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Ordinances.

All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47) and the Prior Ordinances.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and enactment 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, Recorder 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.

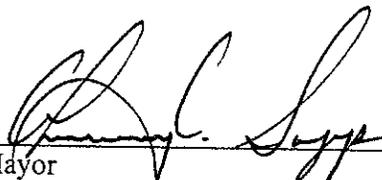
Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council 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 14 consecutive days, with at least 6 full days intervening between each publication, in the Wetzel Chronicle and the Tyler Star News, being qualified newspapers of general circulation in the Town of Paden City, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted, that the Issuer contemplates the issuance of the Bond, that any person interested may appear before the Council upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file with the Council for review by interested persons during the office hours of the Council. At such hearing, all protests and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading: February 22, 2001

Passed on Second Reading: March 5, 2001

Passed on Final Reading
Following Public Hearing: March 19, 2001

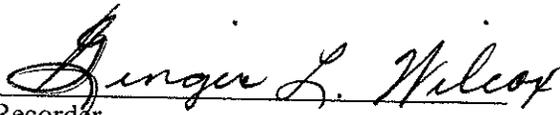


Mayor

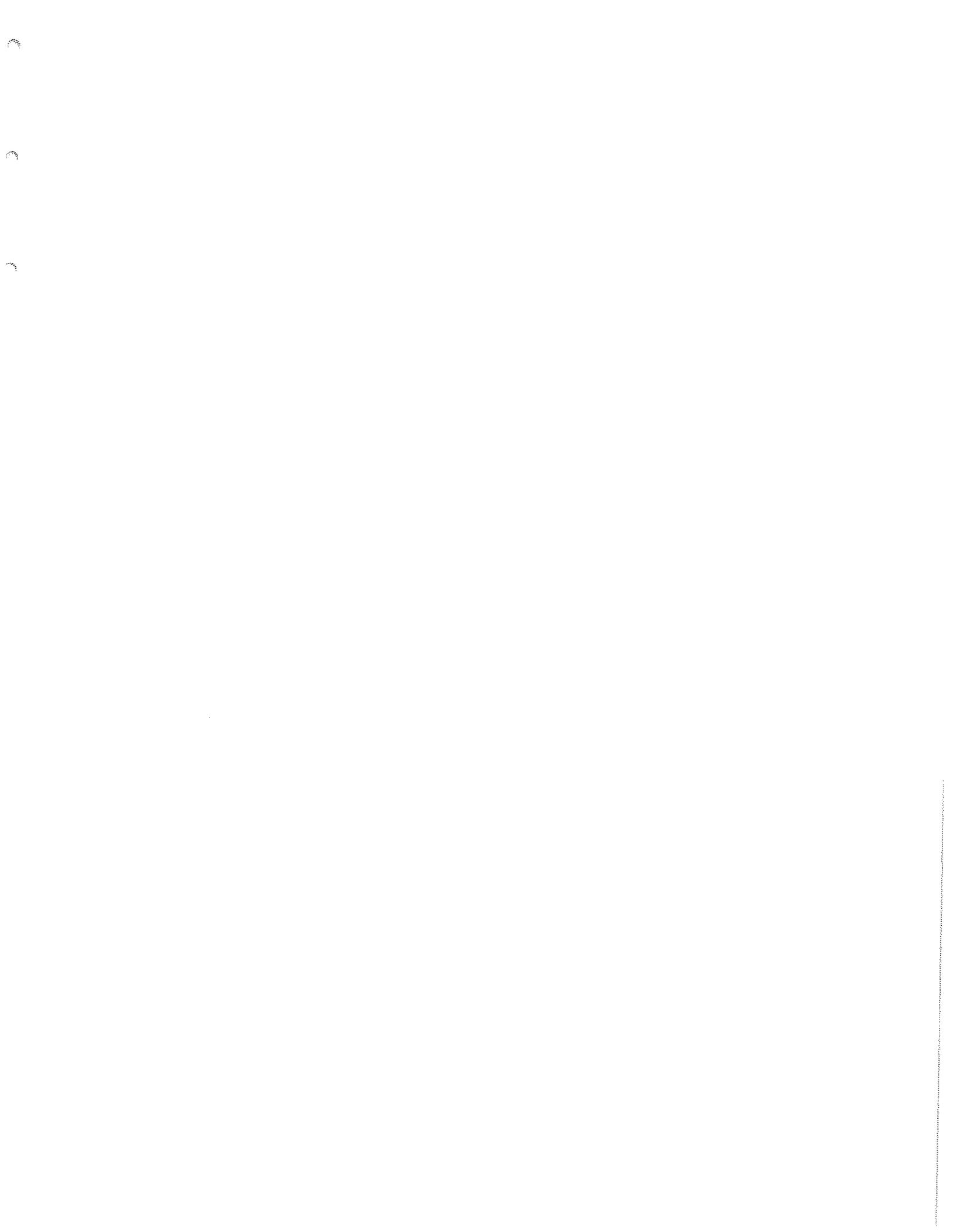
CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Paden City on the 19th day of March, 2001, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the Town of Paden City on this 26th day of April, 2001.

[SEAL]


Recorder

04/26/01
683590.00001



TOWN OF PADEN CITY

Water Revenue Bonds, Series 1982
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING FOR
TRANSFER OF THE RESERVE ACCOUNT FOR THE SERIES
1982 BONDS AND AMENDMENT OF PRIOR ORDINANCE
TO EFFECT SUCH TRANSFER

WHEREAS, the Town of Paden City (the "Issuer") has previously issued its Water Revenue Bond, Series 1982, dated December 2, 1982, in the original aggregate principal amount of \$361,000 (the "Prior Bonds"), and held by the United States Department of Agriculture (the "Purchaser");

WHEREAS, the Prior Bonds are secured by a reserve account pledged for the payment of principal of and interest on the Prior Bonds (hereinafter referred to as the "Series 1982 Bond Reserve Account"), which account is, pursuant to the ordinance of the Issuer adopted on December 2, 1982, authorizing the Prior Bonds (the "Prior Ordinance"), held by the Depository Bank;

WHEREAS, the Purchaser has requested that the Issuer transfer the monies in the Series 1982 Bond Reserve Account from the Depository Bank to the West Virginia Municipal Bond Commission (the "Commission");

WHEREAS, the Prior Ordinance provides that it may be amended by supplemental resolution with the prior written consent of the Purchaser and such consent has been received by the Issuer; and

WHEREAS, the Council of the Town of Paden City deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted,

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

Section 1. The Prior Ordinance is amended, as necessary, to reflect the following:

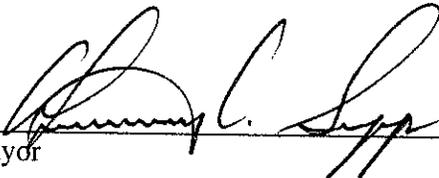
- A. The Series 1982 Bond Reserve Account is held by the Commission.
- B. The Commission is designated as the Fiscal Agent for the administration of the Series 1982 Bond Reserve Account as herein provided, and all amounts required for the Series 1982 Bond Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.
- 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 reserve account payment with respect to the Prior Bond and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.
- D. Moneys in the Series 1982 Bond Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.
- E. Earnings from moneys in the Series 1982 Bond Reserve Account so long as the Minimum Reserve is on deposit in each such account and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.
- F. The Issuer shall remit from the Revenue Fund to the Commission such additional sums as shall be necessary to pay the charges and fees of the Commission then due.
- G. All remittances made by the Issuer to the Commission or the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

Section 2. The aforementioned amendments relating to the Series 1982 Bond Reserve Account, shall become effective, on the date of adoption of this Supplemental Resolution. The sum of \$21,276.00, which represents the Minimum Reserve required by the Prior Ordinance for the Series 1982 Bond Reserve Account shall be transferred to the Commission. Any and all amounts in the Series 1982 Bond Reserve Account in excess of the Minimum Reserve amount shall simultaneously be deposited in the Water Fund.

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

Adopted this 17th day of April, 2001.

TOWN OF PADEN CITY



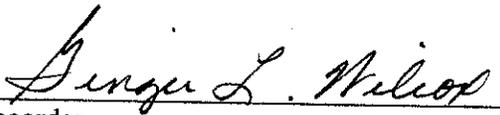
Mayor

CERTIFICATION

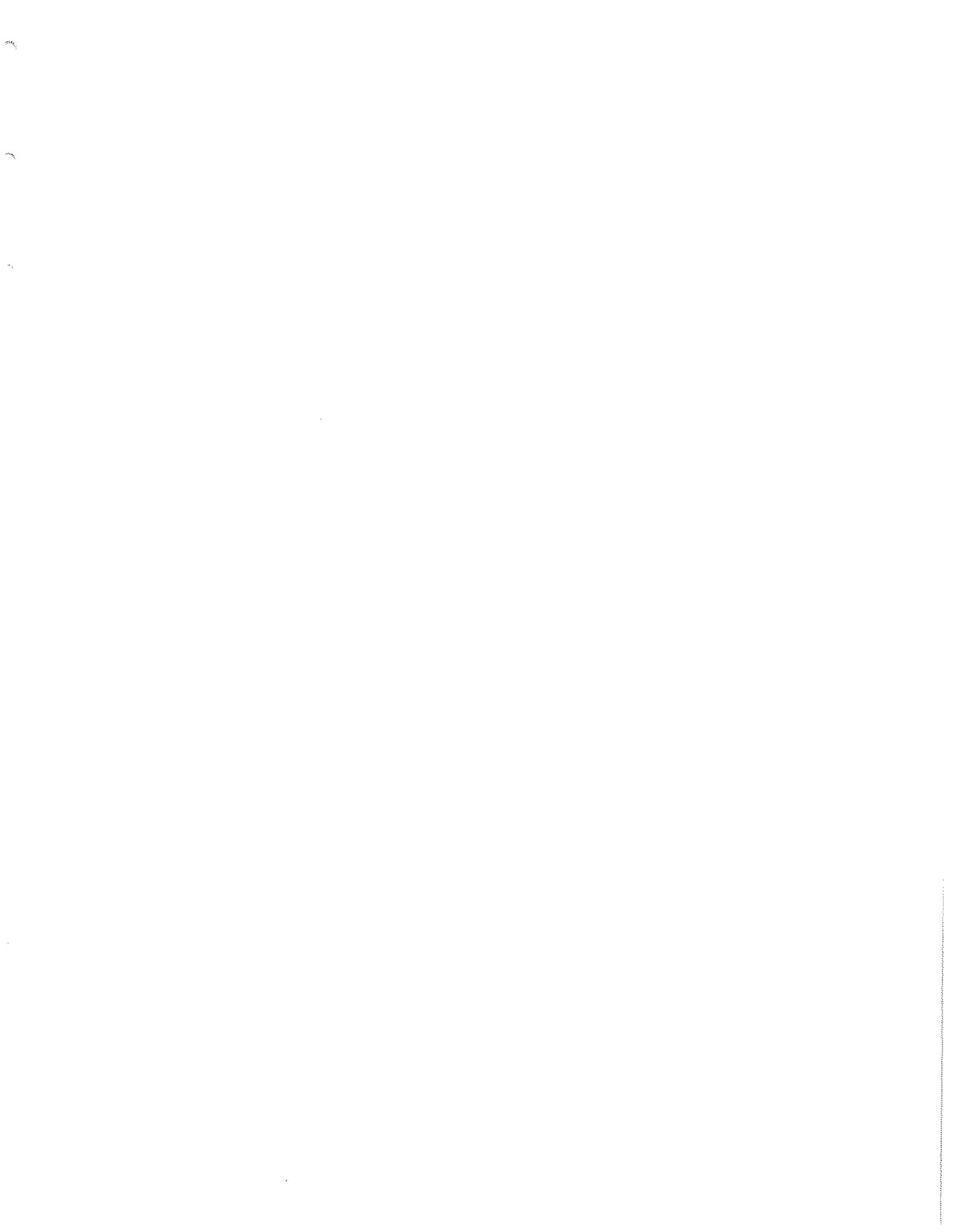
Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Paden City on this 17th day of April, 2001.

Dated: April 26, 2001.

[SEAL]


Recorder

04/17/01
683590.00001



TOWN OF PADEN CITY

Water Revenue Bond, Series 1982

BOND ORDINANCE

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11/11/82
PADEN-L

THE TOWN OF PADEN CITY

ORDINANCE AUTHORIZING THE ISSUANCE OF \$361,000 WATER REVENUE BOND, SERIES 1982, OF THE TOWN OF PADEN CITY TO FINANCE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS FOR THE EXISTING WATERWORKS OF THE TOWN; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF PADEN CITY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is adopted pursuant to the provisions of Article 19, Chapter 8 of the West Virginia Code (the "Act") and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The Town of Paden City (the "Issuer"), in the Counties of Tyler and Wetzel, State of West Virginia, is now served by a waterworks system (which system, as expanded by the Project and all future improvements is called the "System"), but such System is not adequate, and it is necessary that the System be improved by the Issuer. The inhabitants of the Issuer and surrounding area served by the System urgently require that the System be improved as herein provided.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, extensions and improvements to the existing waterworks system consisting of expansion of the chlorination facilities at the Town's water wells, painting existing water storage tanks and completing

components of the water distribution system with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recording Officer of the Issuer. The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

(C) It is necessary for the Issuer to issue its revenue bond in the principal amount of \$361,000 to finance a portion of the cost of the Project in the manner hereinafter provided.

(D) The estimated maximum cost of acquisition and construction of the Project is \$386,000, of which \$361,000 will be obtained from the proceeds of sale of the Bond herein authorized, and the remaining \$25,000 from the proceeds of a Governor's Partnership Grant.

(E) The cost of the Project shall be deemed to include, without being limited to the construction and acquisition of the additions, extensions and improvements constituting a part of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized hereby.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) The Issuer's Water Revenue Bonds, dated September 1, 1954, issued in original principal amount of \$72,000 (the "1954 Bonds") and the Issuer's Water Revenue Bonds, Series 1960, dated March 1, 1960, issued in the original principal amount of \$40,000 (the "1960 Bonds") have been defeased by the irrevocable deposit by the Issuer to the West Virginia Municipal Bond Commission, as paying agent, of a sum sufficient to pay the entire principal amount of the 1954 and 1960 Bonds together with interest due thereon, from funds derived from revenues of

the System. No proceeds of the Bond shall be used to pay the principal of or interest on the 1954 or 1960 Bonds. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bond as to lien and source of and security for payment.

(H) The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bond, or will have so complied prior to issuance of the Bond including, among other things, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The rates, charges and rules provided in Article V hereof shall be in full force and effect except as changed by said Public Service Commission, in case of appeal and the time for appeal as to such order shall have expired without appeal being taken therefrom.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Purchaser as holder of the Bond.

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

"Act" means Article 19, Chapter 8 of the West Virginia Code.

"Bond" means the Water Revenue Bond, Series 1982, authorized hereby to be issued.

"Bond Legislation" means this Ordinance and all ordinances and resolutions supplemental hereto.

"Consulting Engineer" means Burgess & Niple, Ltd., Parkersburg, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties

which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Common Council of the Issuer.

"Herein" means in this Bond Legislation.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of the Bond.

"Issuer" means The Town of Paden City, in Tyler and Wetzel Counties, West Virginia, and includes the Governing Body.

"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, 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 generally accepted accounting principles and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Project" shall have the meaning stated in Section 1:02(B) above.

"Purchaser" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

"Recording Officer" means the Recorder of the Issuer.

"Revenues" or "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.

"System" means the existing waterworks now serving the Issuer as expanded by the Project, and includes the complete

waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system after completion of the Project.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Ordinance, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1982," is hereby authorized to be issued in the aggregate principal amount of not exceeding Three Hundred Sixty-One Thousand Dollars (\$361,000) for the purpose of financing a portion of the cost of acquisition and construction of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in single form, No. 1, and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Mayor and its corporate seal shall be affixed thereto and attested by the Recording Officer.

Section 2.04. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the gross revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The gross revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond,

and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 2.06. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES 1982

THE TOWN OF PADEN CITY

\$361,000

No. 1

Date: December 2, 1982

FOR VALUE RECEIVED, THE TOWN OF PADEN CITY (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Three Hundred Sixty-One Thousand Dollars (\$361,000) plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing on the 30th day following delivery of the Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof and \$1,773, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of fortieth (40th) year from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the

obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the gross revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 19 of Chapter 8 of the West Virginia Code (herein called the "Act").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

THE TOWN OF PADEN CITY

(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor

(Title of Executive Official)

Town Hall

(P. O. Box No. or Street Address)

Paden City, West Virginia 26159

(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder

(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL		\$	_____

(Form of)

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

ARTICLE III

BOND PROCEEDS; REVENUES
AND APPLICATION THEREOF

Section 3.01. Bond Proceeds; Project Construction Account. The proceeds of temporary financing and from sale of the Bond, shall be deposited on receipt by the Issuer in the Bank of Paden City, Paden City, West Virginia, a member of Federal Deposit Insurance Corporation (the "FDIC"), in a special account hereby created and designated as "Town of Paden City Project Construction Account" (herein called "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Until completion of construction of the Project, the Issuer will transfer from the Project Construction Account and pay to the Government on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Bond if there are not sufficient Gross Revenues to make such monthly payment.

Except for the foregoing provision, moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchasers.

If the Issuer shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the Issuer may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 3.02. Covenants of the Issuer as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund herein-after established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bond as follows:

(A) REVENUE FUND. The entire gross revenues derived from the operation of the System, and all parts thereof, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" is hereby established initially with the Bank named in Section 3.01. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) DISPOSITION OF REVENUES. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(i) The Issuer shall first each month, on or before the due date of each installment on the Bond, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond the amount required to pay the interest on the Bond, and to amortize the principal of the Bond over the life of the Bond issue.

(ii) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the said Bank in the Reserve Fund hereby initially established with said Bank, 1/12 of 1/10 of the amount of principal and interest becoming due on the Bond in any year until the amount in the Reserve Fund equals the sum of \$21,276, such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bond, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the

Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bond to said National Finance Office as the same shall become due or for prepayment of installments on the Bond, or for mandatory prepayment of the Bond as hereinafter provided, and for no other purpose.

(iii) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Depreciation Reserve, hereby initially established with said Bank, the sum of \$90, until there has been accumulated in the Depreciation Reserve the aggregate sum of \$10,830 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up deficiencies for monthly payments of principal of and interest on the Bond as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

(iv) The Issuer shall next each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(v) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay installments of the Bond or for any lawful purpose.

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bond at the earliest practical date and in accordance with applicable provisions hereof.

The aforesaid Bank (and any successor appointed by the Issuer) is hereby designated as the Fiscal Agent for the administration of the Reserve Fund and the Depreciation Reserve as herein provided, and all amounts required therefor will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such Fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bond and the interest thereon, but the aforesaid Bank shall not be a trustee as to such funds. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Fiscal Agent shall keep the moneys in the Reserve Fund and the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Reserve Fund, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Fiscal Agent.

(C) CHANGE OF FISCAL AGENT. The Issuer may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

(D) USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be 1,361 full-time bona fide users initially upon the System.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchaser.

Section 4.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce revenues equal to not less than 110% of the annual debt service on the Bond and to make the payments required herein into the Reserve Fund and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of the Purchaser.

Section 4.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the

event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

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

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

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially upon the Recorder in the amount required by the Purchaser, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 4.06. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or violation of or failure to observe any provision of any pertinent law.

Section 4.07. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.08. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each fiscal year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 4.09. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recording Officer on the date of adoption hereof, subject to permitted changes.

Section 4.10. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at

all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser.

Section 4.11. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 4.12. No Competition. The Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 4.13. Concerning Arbitrage. The proceeds of sale of the Bond will not be invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The schedule of rates and charges for the services and facilities of the System shall be as set forth in the Ordinance of the Issuer enacted September 9, 1981.

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

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

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

E. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

F. No allowance or adjustment in any bill for use of the services and facilities of the System shall be made for any leakage occurring on the customer's side of the water meter.

G. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

H. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

I. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its obligations hereunder, but not less than 110% of the average annual debt service on all Bonds outstanding.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Defeasance. The Bond shall be considered to have been paid in full and defeased only upon compliance with the requirements of the Purchaser if paid prior to maturity, and only upon payment in full of all interest owed and principal due on the Bond if paid at maturity.

Section 6.02. Modification or Amendment. No material modification or amendment of this Bond Legislation, or of any Bond Legislation amendatory hereof or supplemental hereto, may be made without the consent in writing of the Purchaser.

Section 6.03. Delivery of Bond No. 1. The Mayor is hereby authorized and directed to cause Bond No. 1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 6.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 6.05. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 6.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.07. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

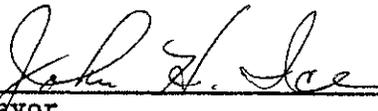
Section 6.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by

the Common Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the Wetzel Chronicle, a newspaper of general circulation in the Town of Paden City, the Town of Paden City having no newspaper, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, that a certified copy hereof is on file in the office of the Recorder for review by interested persons during the office hours of the Recorder, and that any person interested may appear before the Common Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said Bond Legislation and notice, and present protests. At such hearing, all protests and suggestions shall be heard and the Common Council shall take such action as it shall deem proper in the premises.

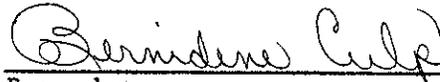
Passed on First Reading
Passed on Second and
Final Reading
Following Public Hearing

November 15, 1982

November 29, 1982



Mayor



Recorder

12/01/82
PADEN-M



United States
Department of
Agriculture

Rural Development

Federal Building, Room 320
75 High Street
Morgantown, WV 26505-7500
Tel: (304) 284-4888
Fax: (304) 284-4892
TTY/TDD: (304) 284-4836

April 17, 2001

City of Paden City
\$1,800,000 Water Revenue Bonds, Series 2001 A

TO WHOM IT MAY CONCERN:

The undersigned acting STATE DIRECTOR of the United States Department of Agriculture, Rural Utilities Service, the present holder of the outstanding Prior Bonds, hereinafter described, (i) hereby consents to the issuance of the Water Revenue Bonds, Series 2001 A (the "Bonds"), by the City of Paden City (the "Issuer"), in the original aggregate principal amount of \$1,800,000, under the terms of the ordinance authorizing the Bonds (the "Series 2001 A Bond Ordinance"), on a parity as to liens, pledge and source of and security for payment, and in all respects, with the Issuer's Water Revenue Bond, Series 1982, dated December 2, 1982, issued in the original aggregate principal amount of \$361,000, (the "Prior Bonds"); (ii) hereby waives any requirements imposed by the Prior Bonds and the ordinance authorizing the Prior Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds and the Series 2001 A Bond Ordinance, and (iii) hereby consents to any amendments made to the Prior Ordinance by the Series 2001 A Bond Ordinance, specifically including, but not limited to, such amendments made by the Supplemental Resolution adopted by the Issuer on April 17, 2001, transferring the Issuer's Series 1982 Bond Reserve Account to the West Virginia Municipal Bond Commission.

Ney R. Williamson, Jr.
Acting State Director

001665a1j040601.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: April 6, 2001

FINAL

04.14.01
By Commission
Order Waiving

CASE NO. 00-1665-W-CN

CITY OF PADEN CITY,
a municipal utility.
Application for a certificate of
convenience and necessity to
construct a new water plant and
improve the City's distribution
system in Wetzel and Tyler Counties.

RECOMMENDED DECISION

On November 6, 2000, the City of Padon City (City or Applicant) filed an application, duly verified, for a certificate of convenience and necessity to construct a new water plant and improve its distribution system in Wetzel and Tyler Counties. The project includes a 500 gpm air stripping water treatment plant, 4,100 linear feet of 6-inch PVC, 14,100 linear feet of 8-inch water main, 50 fire hydrants, 140 gate valves and related appurtenances. The City proposes to finance the project through a Rural Utilities Service (RUS) Loan with an interest rate of 5% for a period of forty years. The City of Padon City proposed to contribute \$200,000 toward the cost of the project. The City did not propose an increase in rates and charges.

By Order entered November 16, 2000, the City was directed to give notice of the filing of its application by publishing a copy of the Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in each of the Counties of Wetzel and Tyler. The Order further provided that the City was to make due return to the Commission of proper certification of publication immediately after publication. The Order provided that anyone desiring to make objection to the application must do so, in writing, within thirty days after publication of the Notice. The Notice provided that, if no protests are received within the thirty-day protest period, the Commission may waive formal hearing and grant the application based upon the evidence submitted and review of the application.

On November 17, 2000, the Applicant filed a copy of the loan resolution adopted by the City Council on March 16, 2000, regarding the City's contribution.

On December 7, 2000, the City filed its affidavits of publication indicating that the Notice of Filing was published in the Tyler Star News, a newspaper of general circulation in Tyler County on November 22,

2000; and in the Wetzel Chronicle, a newspaper of general circulation in Wetzel County on November 22, 2000. A letter from the United States Department of Agriculture to the Mayor of the City of Paden City regarding a loan in the amount of \$2,625,000 was filed. Also, on December 7, 2000, Staff filed its Initial Joint Staff Memorandum indicating it would review the case and make a final recommendation within the guidelines prescribed by the Commission. Staff recommended that the matter be referred to the Division of Administrative Law Judges.

By Order entered December 19, 2000, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before June 4, 2001.

By Order issued February 7, 2001, the City of Paden City was directed to file a letter of clarification as to the construction costs of the project and the amount of the RUS loan, to resolve the discrepancy between the letter dated March 13, 2000, from USDA, received December 7, 2000, and the application filed November 6, 2000, no later than February 14, 2001. Staff was directed to file its substantive recommendation in this matter no later than February 22, 2001. The Applicant was directed to file any response to Staff's recommendation no later than March 2, 2001. Any settlement in this matter was to be filed no later than March 12, 2001. A hearing was scheduled to be held on March 26, 2001, to commence at 1:00 p.m., in the Paden City Building, Council Chambers, 208 W. Main Street, Paden City, West Virginia.

On February 15, 2001, the Applicant requested additional time to file the information regarding the clarification of the project costs and the funding of the project.

On February 15, 2001, Staff filed its Final Joint Staff Memorandum recommending that the certificate application be granted. Staff indicated that the Applicant was under an Administrative Order from the Bureau of Public Health to improve its water quality and quantity and believes that the proposed construction project is both convenient and necessary. Staff noted that the Applicant's present well water source contains high levels of carbon dioxide, which causes the water to become corrosive, resulting in elevated levels of lead and copper. The proposed air stripping treatment plant will remove carbon dioxide from the water. The project has been approved by the State Office of Environmental Health Services, as evidenced by Permit No. 14,613.

The Applicant plans to finance the project with a loan from the Rural Utilities Service (RUS) in the amount of \$2,000,000, and a grant from the City in the amount of \$200,000. The City is not planning to obtain interim financing or increase in its rates and charges. The Applicant provided commitment letters for the funding and adequate financial information with the application. Staff noted that the City's system was unmetered and that the Commission supports and recommends metering of water systems. Staff noted that, during the infrastructure review of the project, the City submitted, upon Staff's request, a cost/benefit analysis regarding metering the system. The analysis includes that it is not cost-effective to meter the City's system. The analysis was reviewed by Staff and, during the review of the instant case, Staff did not take issue with the City's finding that it is more

cost-effective to leave the system unmetered at this time. Staff noted that the issue of metering the water system may be revisited in future proceedings.

By Order issued February 20, 2001, the Procedural Order of February 7, 2001, was amended, by directing the Applicant to file a letter of clarification regarding the construction costs of its project and the amount of the RUS loan. Staff was directed to file a further recommendation and the Applicant was allowed an opportunity to respond to the recommendation.

On February 22, 2001, the Applicant filed a response to Staff's February 14, 2001 Memorandum. The Applicant advised that the actual RUS loan is \$1,800,000. The Applicant noted that it did not wish to proceed to hearing in this matter and requested that the hearing scheduled to be held on March 26, 2001, be cancelled. Also, the Applicant filed its response to the February 7, 2001 Procedural Order.

On February 22, 2001, the Applicant provided additional information which explained the project cost.

On February 22, 2001, Staff filed a Further Final Joint Staff Memorandum, indicating that additional information would be filed.

On March 1, 2001, Staff filed a Further Final Joint Staff Memorandum, recommending that the City of Paden City be granted a certificate of convenience and necessity to construct the project. Staff recommended approval of the RUS loan in the amount of \$1,800,000, at an interest rate not to exceed 5%, for a period not to exceed forty (40) years, and approval of the \$200,000 grant, to be provided by the City. Staff recommended that the City be ordered to pursue a project to complete the metering system, as ordered in Case No. 6216, dated August 17, 1966, and that the City file quarterly progress reports regarding its metering program.

On March 8, 2001, the Applicant responded to Staff's recommendation filed March 1, 2001. The Applicant accepted Staff's recommendations except for the one which required it to pursue a project to complete a metering system for its water customers, as ordered in Case No. 6216, and to file the quarterly progress reports with the Commission. The Applicant requested that the issue be bifurcated with respect to the metering of the water system in order to allow the City to proceed, without delay, with its water project. The Applicant noted that Staff acknowledged in its Final Joint Staff Memorandum, dated February 14, 2001, that it did not take issue with the City's finding that it is more cost-effective to leave the system unmetered at this time. While Staff amended its position in its March 1, 2001 recommendation, the Applicant asserted that no change in circumstance or in the cost/benefit analysis had occurred since the February 14, 2001 recommendation. The City has been mandated by the West Virginia Department of Health and Human Resources to make improvements to its water system. The Applicant requested that the certificate be granted and the hearing scheduled to be held on March 26, 2001, be cancelled.

On March 16, 2001, Staff filed a Further Final Joint Staff Memorandum opposing the Applicant's proposal that the metering program be bifurcated from this application.

By Procedural Order issued March 16, 2001, the parties were advised that the hearing scheduled to be held on March 26, 2001, would proceed as scheduled. Staff was directed to file prepared direct testimony regarding its proposed metering plans and to include its plans, specifications and cost analysis for the expansion of the scope of the originally filed project.

On March 21, 2001, the Applicant filed a request for subpoenas for two witnesses to provide testimony at the hearing scheduled for March 26, 2001.

On March 22, 2001, Staff filed the prepared testimony of Randy Lengyel, Utility Analyst II, of the Water and Wastewater Division, and the prepared testimony of James E. Spurlock, Technical Analyst with the Engineering Division of the Public Service Commission.

The hearing convened as scheduled. Carolyn G. Flannery, Esquire, appeared upon behalf of the Applicant. Cecelia G. Jarrell, Esquire, appeared upon behalf of Commission Staff. The transcript of the hearing was received on April 2, 2001.

On March 29, 2001, and April 3, 2001, State Senators Jeffery V. Kessler and Larry J. Edgell filed letters of support for the City of Paden City's application for a certificate of convenience and necessity, as proposed by the City.

EVIDENCE

No public protests were received to this application. (Tr., p. 11). Commission Staff recommended approval of the project and then amended its recommendation to include a metering program for this water system. (Tr., p. 9). The Applicant presented a letter from Jenny N. Phillips, State Director from the United States Department of Agriculture, indicating the cancellation of \$825,000 of the original financing of the project, reducing the funding from \$2,625,000 to \$1,800,000. (Tr., p. 7; Applicant's Exhibit No. 1). Staff withdrew its objections to the amended application. (Tr., pp. 8-12). The unprotested project was submitted, as amended. (Tr., p. 13).

FINDINGS OF FACT

1. On November 6, 2000, the City of Paden City filed an application, duly verified, for a certificate of convenience and necessity to construct a new water plant and improve its distribution system in Wetzel and Tyler Counties. The project includes a 500 gpm air stripping water treatment plant, 4,100 linear feet of 6-inch PVC, 14,100 linear feet of 8-inch water main, 50 fire hydrants, 140 gate valves and related appurtenances. (See, Application).

2. The estimated total cost for the project has been amended to \$2,000,000, and is to be financed by a Rural Utilities Service grant in

an amount of \$1,800,000, at an interest rate not to exceed 5%, for a period not to exceed forty (40) years, and a grant from the City in the amount of \$200,000. (See, application; Final Joint Staff Memorandum received February 15, 2001; Further Final Joint Staff Memorandum received March 1, 2001; Tr., pp. 7, 10-11; Applicant's Exhibit No. 1).

3. The City has made publication in accordance with West Virginia Code §24-2-11. (See, affidavit of publication received December 7, 2001).

4. No public protests were received to the application during the 30-day protest period. (See, Tr., p. 11; case file generally).

5. Commission Staff recommended approval of the application for a certificate of convenience and necessity and the revised financing of the project. (See, Final Joint Staff Memorandum received February 15, 2001; Further Final Joint Staff Memorandum received March 1, 2001; Tr., pp. 10-12).

6. The City's current water source contains high levels of carbon dioxide, which cause the water to corrode the water lines, resulting in elevated levels of lead and copper in the water delivered to customers. The City is under an Administrative Order from the State Office of Environmental Health Services to address these high levels of lead and copper. The proposed improvements will remove the carbon dioxide from the water. (See, Final Joint Staff Memorandum received February 15, 2001).

7. The City currently cannot provide adequate fire flow to the south end of its system. Several hydrants are on undersized lines. The proposed project will upgrade these undersized mains. (See, Final Joint Staff Memorandum received February 15, 2001).

8. The project has been approved by the State Office of Environmental Health Services, as evidenced by Permit No. 14,613. Staff's review of the plans and specifications did not reveal any conflicts with the Commission's rules and regulations. (See, Final Joint Staff Memorandum received February 15, 2001).

9. Commission Staff recommended that the City be required to meter its system as an enforcement measure of an Order entered in 1966, in Case No. 6216, but agreed to pursue the meter project in a separate filing. (See, Further Final Joint Staff Memorandum received March 1, 2001; Tr., pp. 8-12).

10. The Applicant objected to the recommendation that it be required to include a metering system for its water customers, as part of this project; requested that any metering project be conducted in a separate proceeding; and submitted a letter of deobligation from RUS. (See, March 8, 2001 filing).

11. Upon Staff's withdrawal of its objection to the City's metering program being bifurcated from the certificate application, the City requested the amended application be submitted as unopposed. (Tr., p. 12; Applicant's Exhibit No. 1).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.
2. The proposed project, as amended, is adequately financed and economically feasible.
3. The City's present rates and charges are sufficient to cover the reasonable and necessary operating expenses needed to support the proposed improvement project.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of Paden City on November 6, 2000, for a certificate of convenience and necessity to improve its distribution system in Wetzel and Tyler Counties, which includes a 500 gpm air stripping water treatment plant, 4,100 linear feet of 6-inch PVC, 14,100 linear feet of 8-inch water main, 50 fire hydrants, 140 gate valves and related appurtenances, be, and hereby is, approved.

IT IS FURTHER ORDERED that the financing for the project, being a Rural Utilities Service grant in the amount of \$1,800,000, at an interest rate not to exceed 5%, for a period not to exceed forty (40) years, and a grant from the City of Paden City in the amount not to exceed \$200,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the City of Paden City notify the Commission within thirty (30) days of the completion of the project.

IT IS FURTHER ORDERED that, if there is a change in the terms, conditions, financing or scope of the proposed project, the City of Paden City shall notify the Public Service Commission and file for Commission approval of the revised project or financing.

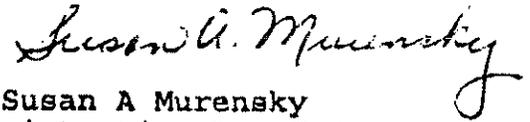
The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in

writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Susan A Murensky
Administrative Law Judge

SAM:pst
001665ac.wpd

001665SEC040901.WPD

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 9th day of April, 2001.

CASE NO. 00-1665-W-CN

CITY OF PADEN CITY,
a municipal utility.

Application for a certificate of convenience and necessity to construct a new water plant and improve the City's distribution system in Wetzel and Tyler Counties.

COMMISSION ORDER
WAIVING EXCEPTION PERIOD

On April 6, 2001, a Recommended Decision was entered which, among other things, approved the application filed by the City of Padon City on November 6, 2000, for a certificate of convenience and necessity to improve its distribution system in Wetzel and Tyler Counties, which includes a 500 gpm air stripping water treatment plant, 4,100 linear feet of 6-inch PVC, 14,100 linear feet of 8-inch water main, 50 fire hydrants, 140 gate valves and related appurtenances. The Recommended Decision also granted the parties fifteen (15) days of the date the order was mailed to file written exceptions.

On April 9, 2001, Carolyn G. Flannery, counsel for the Applicant, filed by fascimile, a letter requesting a waiver of the fifteen day period of time in which a party may file exceptions to the Recommended Decision. Commission Staff has indicated it has no objection to granting said waiver.

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

The Commission is of the opinion and belief that said requests of waiver received by the Commission on April 9, 2001, should be granted.

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

granted.

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

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon Commission Staff by hand delivery.

A True Copy. Teste:


Sandra Squire
Executive Secretary

SS/s
001665sa.wpd

TOWN OF PADEN CITY

Water Revenue Bonds, Series 2001 A

RECEIPT FOR BOND

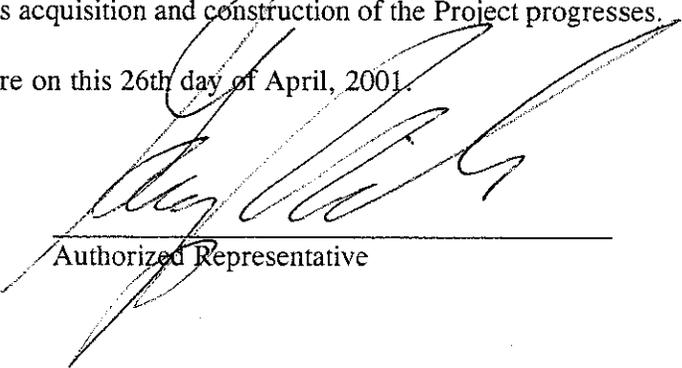
The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 26th day of April, 2001, at Paden City, West Virginia, the undersigned received for the Purchaser the single, fully registered Town of Paden City Water Revenue Bonds, Series 2001 A, No. AR-1 (the "Bond"), in the principal amount of \$1,800,000, dated as of the date hereof, bearing interest at the rate of 5.125% per annum, and payable in monthly installments as stated in the Bond. The Bond represents the entire above-captioned Bond issue.

2. At the time of such receipt, the Bond had been executed and sealed by the designated officials of the Town of Paden City (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of \$12,500, being a portion of the principal amount of the Bond. The balance of the principal amount of the Bond will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 26th day of April, 2001.



Authorized Representative

04/18/01
683590.00001

SPECIMEN

TOWN OF PADEN CITY

WATER REVENUE BONDS, SERIES 2001 A

\$1,800,000

No. AR-1

Date: April 26, 2001

FOR VALUE RECEIVED, the Town of Paden City (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000), plus interest on the unpaid principal balance at the rate of 5.125% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$8,982, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from the gross revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and

cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly adopted and enacted on March 19, 2001, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH THE BORROWER'S WATER REVENUE BOND, SERIES 1982, DATED DECEMBER 2, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$361,000, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS.

IN WITNESS WHEREOF, the Town of Paden City has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

[CORPORATE SEAL]

TOWN OF PADEN CITY



Mayor
P.O. Box 211
Paden City, West Virginia 26159

ATTEST:



Recorder

(FORM OF)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____
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 Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

[RESERVED]

April 26, 2001

Town of Paden City
\$1,800,000 Water Revenue Bonds, Series 2001 A

Town of Paden City
Paden City, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Paden City, in Wetzel and Tyler Counties, West Virginia (the "Issuer"), of its \$1,800,000 Water Revenue Bonds, Series 2001 A, dated the date hereof (the "Bond"), pursuant to Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on March 19, 2001 (the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bond, pursuant to the provisions of the Act and other applicable provisions of law.
2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Bond on a parity with the Issuer's Water Revenue Bond,

Series 1982, dated December 2, 1982, issued in the original aggregate principal amount of \$361,000 (the "Prior Bonds"), but subject to no other lien granted under the Act.

4. The Bond has been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Bonds have not been issued on the basis that the interest, if any, thereon 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.

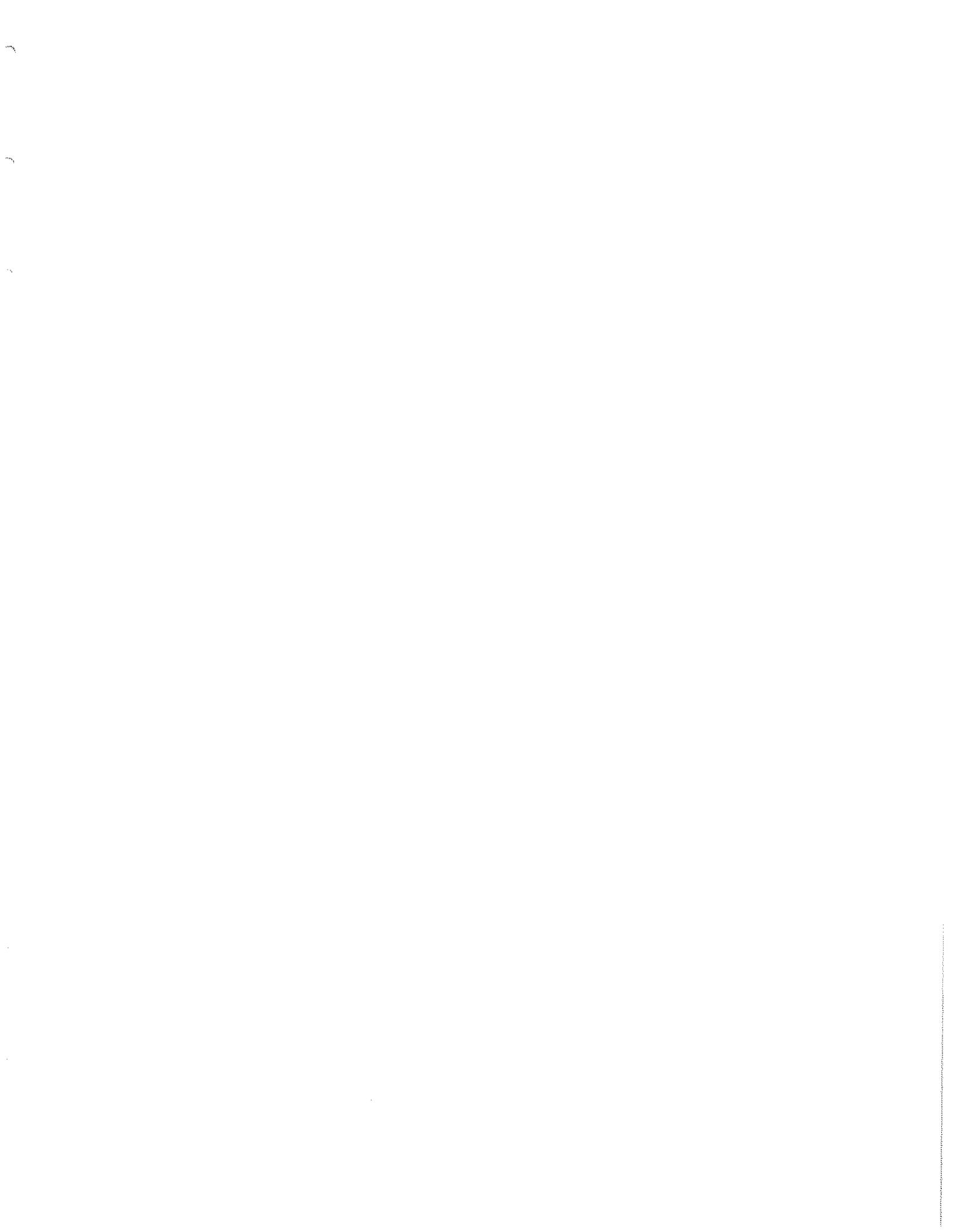
6. The Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and interest on the Bond is exempt from personal and corporate net income taxes imposed directly thereon by the State of West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

It is to be understood that the rights of the holder of the Bond and the enforceability of the Bond, 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 the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,


STEPTOE & JOHNSON PLLC

04/06/01
683590.00001



SNYDER & HASSIG

ATTORNEYS AT LAW

233 MAIN STREET

POST OFFICE BOX 189

NEW MARTINSVILLE, W. VA. 26155-0189

LOGAN HASSIG
ELMER EARL BOWSER, JR.*
CAROLYN G. FLANNERY **

TELEPHONE
(304) 455-2180

TELECOPIER
(304) 455-1514

* ALSO ADMITTED IN PENNSYLVANIA
** ALSO ADMITTED IN OHIO

April 26, 2001

Town of Paden City
\$1,800,000 Water Revenue Bonds, Series 2001 A

Town of Paden City
Paden City, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

We are counsel to the Town of Paden City, a municipal corporation and political subdivision of the State of West Virginia in Wetzel and Tyler Counties of said State (the "Issuer"). As such counsel, we have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond ordinance of the Issuer duly enacted on March 19, 2001 (the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bond of the Issuer (the "Bond"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing as a municipal corporation and a political subdivision of the State of West Virginia.
2. The Mayor, Recorder and members of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

4. The execution and delivery of the Bond and the consummation of the transactions contemplated by the Bond 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 agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bond, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from the Public Service Commission of West Virginia, and the Issuer has duly taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges, the time for appeal of which has expired prior to the date hereof without appeal.

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

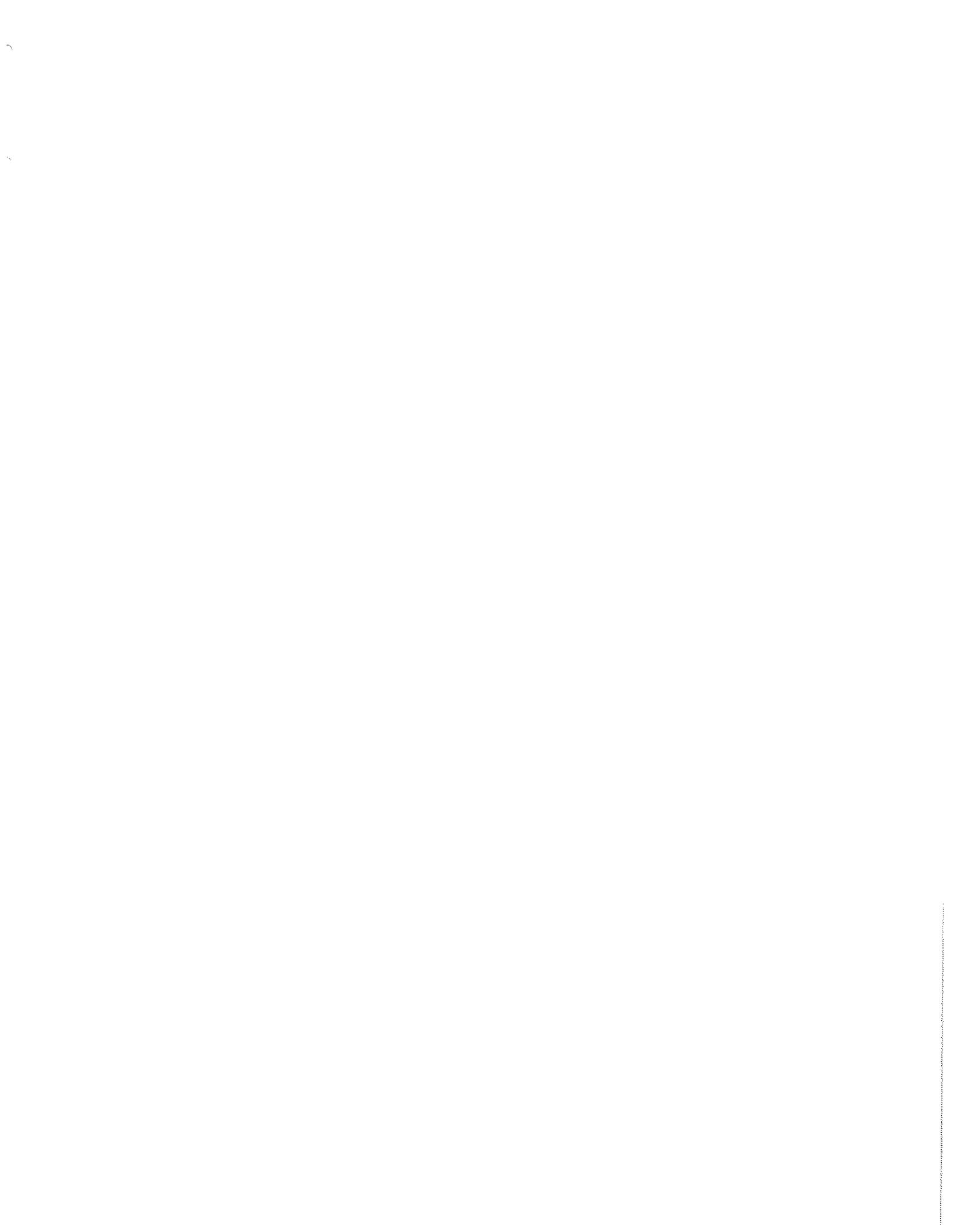
All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

SNYDER & HASSIG


Carolyn G. Flannery

04/16/01
683590.00001



TOWN OF PADEN CITY

Water Revenue Bonds, Series 2001 A

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BOND
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. PUBLICATION AND NO PROTEST
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. SIGNATURES, ETC.
7. CERTIFICATION OF COPIES OF DOCUMENTS
8. INCUMBENCY AND OFFICIAL NAME, ETC.
9. DELIVERY AND PAYMENT AND USE OF PROCEEDS
10. LAND AND RIGHTS OF WAY
11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
12. CONTRACTORS' INSURANCE, ETC.
13. CONNECTIONS, ETC.
14. MANAGEMENT
15. GRANTS
16. RATE FILING WITH PSC
17. CONFLICT OF INTEREST

We, the undersigned MAYOR and RECORDER of the Town of Paden City, in Wetzel and Tyler Counties, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify in connection with the Town of Paden City Water Revenue Bonds, Series 2001 A, No. AR-1, fully registered, dated the date hereof, in the principal amount of \$1,800,000, and bearing interest at the rate of 5.125% per annum (the "Bond"), as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bond has been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on March 19, 2001, authorizing issuance of the Bond (the "Ordinance" or "Bond Ordinance").

Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Ordinance when used herein. The Bond is being issued on this date to permanently finance a portion of the acquisition and construction of the Project located within the boundaries of the Issuer.

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bond or receipt of any grant moneys committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bond; nor in any way questioning or affecting the validity of the grants committed for the System or the Bond, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any moneys or security therefor; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the waterworks system of the Issuer (the waterworks, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the acquisition and construction of the Project being financed in part out of the proceeds of sale of the Bond; nor questioning the rates and charges provided for services of the System.

3. **GOVERNMENTAL APPROVALS:** All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. **PUBLICATION AND NO PROTEST:** Notice of public hearing upon the Bond Ordinance finally adopted and enacted March 19, 2001, was duly published as required by law.

There was not any protest to the passage of the Bond Ordinance, oral or written, and the Bond Ordinance became fully effective on March 19, 2001, following such public hearing, and remains in full force and effect.

5. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer or the System since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Bond as to liens, pledge and source of and security for payment, being the Water Revenue Bond, Series 1982, of the Issuer, dated December 2, 1982, issued in the original aggregate principal amount of \$361,000 (the "Prior Bonds"). The Prior Bonds are currently held by the Purchaser. Other than the Prior Bonds, there are no other bonds or obligations of the Issuer outstanding which are secured by or payable from any revenues and/or assets of the System.

The Issuer is not in default under the terms of the Prior Bonds, the ordinance and resolution authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of the Bond.

6. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Bond with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bond for the Issuer.

7. 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, supplemented or changed in any way unless modification appears from later documents also listed below.

Town Charter

Oaths of Office of Officers and Council members

Bond Ordinance

Supplemental Resolution

1982 Bond Ordinance

Rate Ordinance

Affidavit of Publication on Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

Rural Utilities Service Letter of Conditions dated March 13, 2000,
and all supplements thereto

Public Service Commission Order entered April 14, 2001

8. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Town of Paden City" and it is a municipal corporation and political subdivision of the State of West Virginia in Wetzel and Tyler Counties of said State. The governing body of the Issuer is its Council presently consisting of 7 members and a Mayor, all duly elected, qualified and serving, whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Term of Office</u>	<u>Date of Termination of Term of Office</u>
Anthony A. Sapp	07/01/00	06/30/2002
Ginger L. Wilcox	07/01/99	06/30/2001
Jon D. Baker	07/01/99	06/30/2001
Guy Estep	07/01/00	06/30/2002
James Richmond	07/01/00	06/30/2002
Charlotte Shepherd	07/01/00	06/30/2002
John Staggers	07/01/99	06/30/2001
Ramona Kirtley	02/05/01	06/30/2001

The duly appointed and acting Counsel to the Issuer is Snyder & Hassig, New Martinsville, West Virginia.

9. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Bond was delivered to the Purchaser at Paden City, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Bond had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

At the time of delivery of the Bond, the amount of \$12,500 was received by the undersigned Mayor, being a portion of the principal amount of the Bond, the balance to be paid as acquisition and construction of the Project progresses.

The Bond is dated the date hereof and interest on advances thereon at the rate of 5.50% per annum is payable from the date of each respective advance.

The Bond and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

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

11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, 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 acquisition, construction, operation and financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any 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 published and/or posted were so published and/or posted.

12. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions and Commitment of the Purchaser, as amended, and the Bond Ordinance.

13. CONNECTIONS, ETC.: The Issuer will serve at least 1,275 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

14. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by the Purchaser.

15. RATE FILING WITH PSC: Pursuant to West Virginia Code Section 24-2-4b, the Issuer has filed the rates and rules contained in the ordinance or

ordinances authorizing such rates and rules with the Public Service Commission of West Virginia and/or has or will file such rates and rules in accordance with the order of the Public Service Commission of West Virginia.

16. **CONFLICT OF INTEREST:** No 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 Bond, the Bond Ordinance and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Ordinance. 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.

WITNESS our signatures and the official corporate seal of the TOWN OF PADEN CITY on this 26th day of April, 2001.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Anthony L. Sapp

Mayor

Denise L. Wilcox

Recorder

Carolyn G. Henry

Counsel to Issuer

04/18/01
683590.00001

TOWN OF PADEN CITY

Water Revenue Bond, Series 2001 A

ENGINEER'S CERTIFICATE

I, Ashok M. Sanghavi, Registered Professional Engineer, West Virginia License No. 6177, of S & S Engineers, Inc., Charleston, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements and extensions to the existing waterworks system (the "Project") of the Town of Paden City (the "Issuer"), to be acquired and constructed in Wetzel and Tyler Counties, West Virginia, which acquisition and construction are being financed in part by the above-captioned revenue bond of the Issuer.

I further certify that the Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm and that such system and Project are situate wholly or chiefly within the boundaries of the Issuer.

I further certify that the Project is adequate for the purposes for which it was designed and that all necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

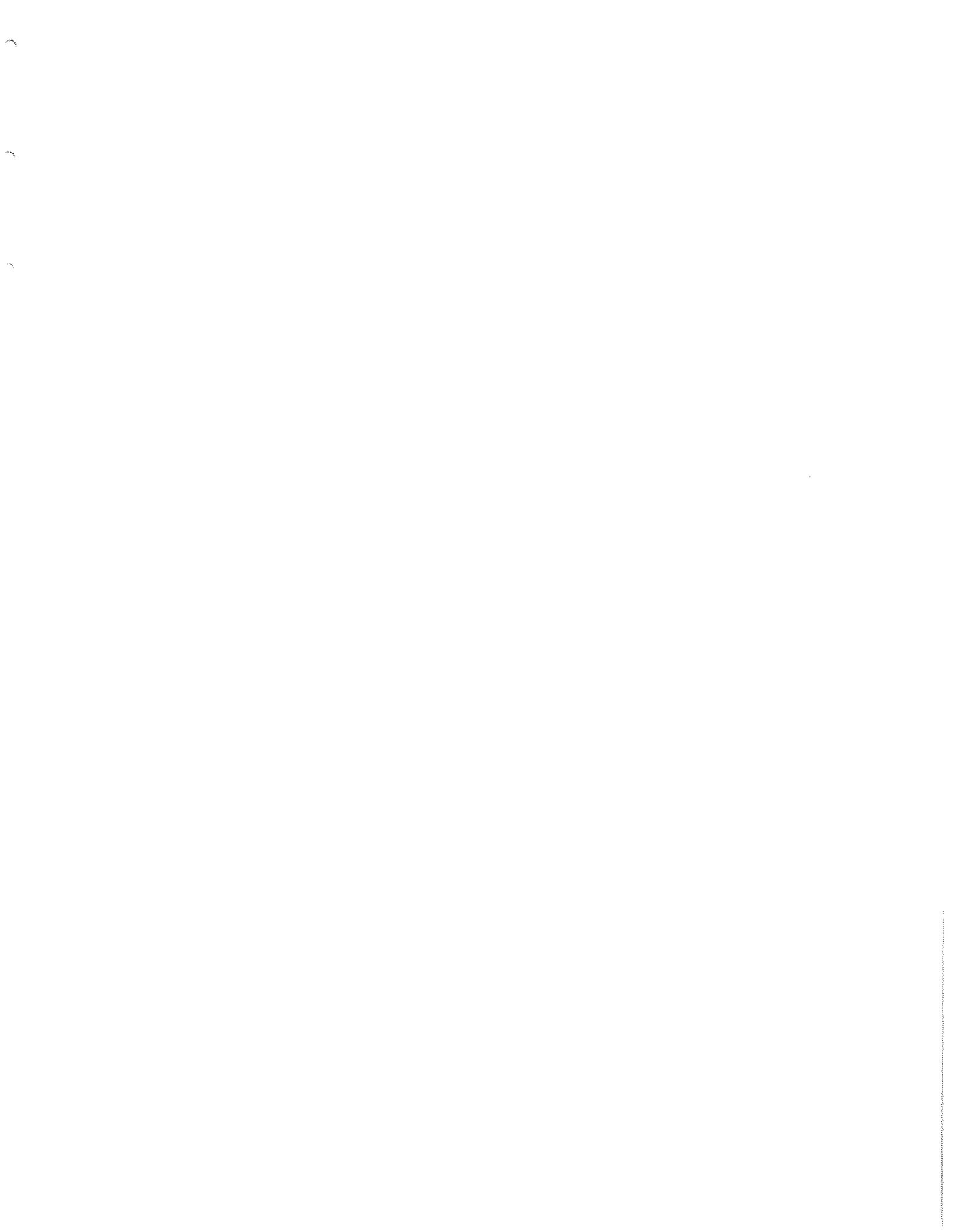
WITNESS my signature on this 26th day of April, 2001.

(SEAL)



Ashok M. Sanghavi, P.E.
West Virginia License No. 6177
S & S Engineers, Inc.

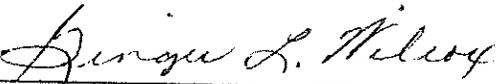
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OCTOBER 17, 2000

I DO HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE CHARTER OF THE CITY OF PADEN CITY, AS TAKEN OUT OF AN EXTRA ORDINANCE BOOK CONTAINING SUCH.

3


GINGER L. WILCOX, CITY RECORDER
CITY OF PADEN CITY

CHARTER
OF
PADEN CITY,
WEST VIRGINIA

SECTION 1. INCORPORATION.

The inhabitants of so much of the Counties of Wetzel and Tyler as are within the bounds prescribed by Section Two of this Charter and their successors, shall be and remain, and they are hereby made a body politic, incorporated by the name of the Town of Paden City and as such shall have perpetual succession and a common seal, and by that name may sue and be sued, plead and be impleaded, purchase, lease and hold real estate and personal property necessary for the use and purpose of said incorporation.

SECTION 2. CORPORATE BOUNDARIES.

The corporate limits of said Town shall, until otherwise modified or extended be as follows: Beginning at a stake at the low water mark at the Ohio river on the lands owned by the Milton Paden heirs; thence through the lands of said heirs across the Baltimore and Ohio Railroad Company's right of way south twenty-nine degrees fifty minutes east one thousand one hundred feet to a stake in the Union Traction Company's center line on the northeast side of Harrison alley in the Alexander addition to Paden City; thence with the northeast line of said Harrison alley south twenty-nine degrees fifty minutes east one thousand three hundred and seventy-five feet to a stake; thence south sixty-one degrees thirty minutes west one thousand five hundred and forty-two feet to a stake; thence south fifty-eight degrees thirty minutes west six hundred and ninety-one feet to a stake; thence south eighty-two degrees thirty minutes west one hundred and eighty-three feet to a large rock; thence south sixty-six degrees ten minutes west seven hundred and twenty-one feet to a stake below the County road; thence south fifty-one degrees thirty minutes west nine hundred and twelve feet to a fence post; thence south forty-eight degrees twenty-five minutes west eight hundred and twenty-four feet to a fence post; thence north sixteen degrees west three hundred feet to a stake; thence south seventy-one degrees thirty minutes west eighty-four feet to a stake; thence south sixty-six degrees thirty minutes west one thousand seven hundred and nineteen feet to a stake; thence south sixty-six degrees thirty minutes west five hundred and eighteen feet to a stake; thence south sixty-two degrees fifteen minutes west five hundred and fifty feet to a stake; thence south fifty-four degrees fifteen minutes west three hundred and eighty-two feet to a stake; thence south fifty-five degrees west ninety feet to a stake; thence south sixty-one degrees thirty minutes west four hundred and fifteen feet to a stake; thence south seventy degrees thirty minutes west

west one hundred and eighty-five feet to a stake; thence south sixty-one degrees west four hundred and two feet to a stake; thence south sixty-six degrees ten minutes west four hundred and twenty-five feet to a stake; thence north twenty-seven degrees fifteen minutes west four hundred and fifty-one feet to a stake at low water mark of the Ohio river and thence running with said river to the place of beginning by the following courses and distances, to-wit north forty-three degrees east one hundred and ninety-nine feet, north thirty-five degrees east six hundred and fifty-three feet; north thirty-six degrees forty-five minutes east seven hundred and sixty-six feet; north thirty-six degrees forty-five minutes east three hundred and six feet; north thirty-nine degrees thirty minutes east two hundred and nine feet; north thirty-two degrees fifteen minutes east five hundred and twenty-nine feet; north thirty-two degrees east three hundred and seventeen feet; north twenty-six degrees east eighty-one feet; north eighteen degrees forty-five minutes east one hundred and thirty-two feet; north thirty-two degrees fifteen minutes east ninety-six feet; north thirty-eight degrees fifteen minutes east one hundred and thirty-five feet; north thirty-six degrees east one hundred and twenty-four feet; north thirty-two degrees thirty minutes east one hundred and forty-seven feet; north forty degrees fifteen minutes east one hundred and thirty-six feet; north thirty-eight degrees ten minutes east two hundred and fourteen feet; north forty-eight degrees twenty minutes east two hundred and sixty feet; north forty-three degrees thirty minutes east one thousand and one feet; north forty-four degrees fifteen minutes east one hundred and twenty-five feet; north forty-six degrees fifteen minutes and east one hundred and ninety-nine feet; north forty-seven degrees east eight hundred and ninety-one feet; north fifty-three degrees east two hundred and seventy-four feet; north sixty-two degrees east fifty-one minutes east one hundred and sixty-two feet; north sixty-six degrees forty-five minutes east one hundred and eighty-eight feet; north eighty-one degrees east two hundred and eleven feet; north eighty-one degrees east six hundred and sixty-five feet; thence north seventy-three degrees fifteen minutes east three hundred and thirty-six feet; north seventy-seven degrees east one thousand two hundred and sixty-eight feet; north sixty-five degrees forty-five minutes east five hundred and fifty feet to the beginning.

SECTION 3. WARDS.

As soon as convenient after the passage of this Charter the Council in being of said Town shall divide the territory of said Town into wards, the number of which shall be determined by the Council, but there shall not be less than three wards, which said wards shall be as nearly equal in population as possible and each shall consist of compact territory and have a population of not less than five hundred people; the number and limits of which said wards shall remain until otherwise changed by the Common Council of said Town, and a record and map of said wards shall be entered upon the journal of the Common Council of the said Town and preserved. No change shall be made in the number or the limits of said wards within six months previous to any regular election to be held for the election of Town officers.

SECTION 4. COUNCIL: NUMBER AND COMPENSATION.

The Municipal authorities of said Town shall consist of a Mayor, and two Councilmen from each ward, who together shall form a Common Council, and shall receive such compensation as said Common Council shall from time to time determine, which shall not be increased nor diminished during their term of office.

SECTION 5. COUNCIL'S POWERS.

All the corporate powers of said corporation shall be exercised by said Common Council or under their authority except when herein otherwise provided.

SECTION 6. ELECTIVE OFFICERS.

There shall be elected by the qualified voters of said Town, as hereinafter provided, a Mayor, six Councilmen and a Recorder, who at the time of their election shall be freeholders in said Town and shall have paid Municipal taxes on real estate in said Town during the year immediately preceding the year of said election. And they shall otherwise be qualified to vote for the members of the Common Council of said Town as residents and legal voters therein.

SECTION 7. CHIEF OF POLICE.

There shall be appointed by the Common Council of said Town a Chief of Police, who shall also be ex-officio Tax Collector of said Town, and who at the time of his appointment shall also possess the qualifications necessary to vote for the members of the Common Council. Said Chief of Police shall hold office for a period of one year from the date of his appointment unless removed for cause.

SECTION 8. MAYOR'S AND RECORDER'S TERM.

The Mayor and Recorder of said Town shall be elected for a period of two years and each shall hold office until his successor is elected and qualified; provided, however, that the present Mayor shall hold office until the first day of July, 1978, and until his successor is elected and qualified, and the Recorder to be elected shall hold office until the first day of July, 1979, and until his successor is elected and qualified. (Amended 1-6-77)

SECTION 9. TERMS OF OFFICE.

The present members of the Common Council who were elected on the first Thursday after the first Tuesday in January, 1975, shall hold office for the two year terms for which they were elected. The present members of the Common Council who were elected on the first Thursday after the first Tuesday in January, 1976, shall hold office until the first day of July, 1978.

On the first Thursday after the first Tuesday in January, in the year 1977, there shall be elected by the qualified voters of said Town, one councilman from each ward, each of whom shall hold office for a term beginning on the first day of February immediately following the date of their election until the first day of July 1979, and until their successors are elected and qualified, and on the first Thursday in June, 1979, and on the first Thursday of June of each successive year thereafter, there shall be elected by the qualified voters of said Town one councilman from each ward, each of whom shall hold office for the term of two years beginning on the first day of July immediately following the date of their election and until their successors are elected and qualified. Each of said councilmen shall be resident and legal voter of his or her respective ward.

And on the first Thursday in June, 1978, and on the first Thursday in June of each second year thereafter, there shall be elected by the qualified voters in said Town a Mayor, who shall hold office for the period of two years from the first day of July immediately following his or her election and until his or her successor is elected and qualified.

And on the first Thursday in June, 1979, there shall be elected by the qualified voters of said Town a Recorder, who shall hold office for a term of two years and until his or her successor is elected and qualified; and on the first Thursday in June, 1979, and on the first Thursday of June of each second year thereafter there shall be elected a Recorder, who shall hold office for the term of two years from the first day of July immediately following his or her election and until his or her successor is elected and qualified.

And thereafter said officers and councilmen shall be elected in the same manner, it being the meaning and intent of this section that one-half of said common council, or one member from each ward shall be elected at every annual election, and that each councilman so elected shall hold office for the term of two years, and that the Mayor and Recorder be elected for a term of two years in alternate.

(Amended 1-6-77)

SECTION 10. START OF TERM.

The respective terms of the Mayor, councilmen, and Recorder shall begin on the first day of July immediately following the date of their election, except where appointment shall be made, as hereinafter provided, to fill any vacancy, and in that case said appointee shall fill said office for the period provided in Section 16.

(Amended 1-6-77)

SECTION 11. ELECTION PRECINCTS.

Each ward shall constitute an election precinct and the Common Council shall establish a voting place in each, and the election of councilmen shall be by wards. No voter shall be entitled to vote at any Town election except in the ward in which he resides, and if any voter shall vote for any person for Common Council who is not a resident of the ward in which he voted, such vote or votes shall not be counted for such person or persons.

SECTION 11a. SECRET BALLOT.

In all elections by the people the mode of voting shall be by ballot; but the voter shall be free to vote by open, sealed or secret ballot as he may elect.

(Amended 11-4-68.)

SECTION 12. QUALIFICATIONS OF VOTERS.

Every male and female person residing in said Town shall be entitled to vote for all officers to be elected under this Charter, but no person who is under twenty-one years of age or of unsound mind or a pauper or who receives aid from the treasury of said Town or who is under conviction of treason, felony or bribery in

an election, or who has not been a resident of this State for one year and of the Town of Paden City for sixty days, and is not a bona fide resident of the ward in which he offers to vote, shall be entitled to vote at any election.

SECTION 13. MUNICIPAL ELECTIONS.

EDITOR'S NOTE: Municipal elections shall be held in accordance with State law and Article 103 of the Administrative Code.

SECTION 14. TIE VOTES.

When two or more persons shall receive an equal number of votes for councilman or other City officer, such tie shall be decided by the Common Council in being.

SECTION 15. CONTESTED ELECTIONS.

All contested elections shall be heard and determined by the Common Council for the time being, and the contest shall be made and conducted in the same manner as provided for in contest for county and district officers, and the Common Council shall conduct their proceedings in such case as nearly as practicable in conformity with the proceedings of the County Court in such cases.

SECTION 16. VACANCIES IN OFFICE.

Whenever a vacancy shall occur from any cause in the office of Mayor, councilman, Recorder or Chief of Police, the Common Council shall immediately fill such vacancy by vote of the majority of the Common Council, all elective offices to be filled until the next general election and the appointive offices for the remainder of the term. All such appointees shall qualify within five days immediately following the date of their appointment.

SECTION 16a. REMOVAL OF OFFICERS.

Any member of the Council and any City official either elected or appointed for a definite term may be removed from his or her office by the Common Council for any of the following causes: Official misconduct, incompetence, habitual drunkenness, neglect of duty or gross immorality. Such removal shall not be made except upon charges regularly filed and acted upon as follows: Charges against any such officer shall be reduced to writing and entered of record by the Common Council and a summons shall thereupon be issued containing a copy of the charges and requiring the officer named therein to appear and answer the same on a day to be named therein, which summons may be served in the same manner as a summons commencing an action may be served, and the service must be made at least five days before the return day thereof, and upon proper hearing it shall require the vote of at least five members of said Common Council to remove any such official.

The officer or body of officers authorized by this section to make appointments for special purposes, or for less than a definite term shall have the power to remove their respective appointees at will.

SECTION 17. POLICE.

The Chief of Police, as ex-officio Tax Collector, shall have power to collect all taxes levied and assessed by the Common Council of said Town and all other assessments and money due the said Town, and for that purpose shall have the power to distrain and sell property for the enforcement of such payment. The Common Council shall also have authority to provide by ordinance for the appointment of such other officers as shall be necessary and proper to carry into full force any authority, power or jurisdiction which is or shall be vested in the said Town or in the Common Council or Mayor or any officer or body of officers thereof, and to grant to such officers so appointed the power necessary or proper for the purpose above mentioned. And said Mayor shall have power, also, to appoint policemen whenever the necessities of public safety of the people of said Town in their judgment shall require it, who shall be under the direction and supervision of the Chief of Police and of the said Mayor; the said Common Council shall by ordinance define the duties of all officers so elected or appointed as aforesaid and allow them a reasonable compensation; and shall require and take from all those whose duty it is to receive its funds, assets or property, or have charge of the same, such bonds, obligations and other writings, as they shall deem necessary or proper to insure the faithful performance of their said duties. All officers appointed or elected by the Common Council, except the Chief of Police who shall only be removed for cause, shall hold their office or appointment during the will and pleasure of the said Common Council, but no appointee shall hold beyond the current year for which he shall have been appointed without a new election by the said Common Council. The said Chief of Police shall have all powers, rights and privileges within the corporate limits of said Town, and within one mile outside of the corporate limits thereof, in regard to the arrest of persons, the execution and return of process, that can be legally exercised by a constable of the district within the same, and he and his sureties shall be liable for all fines, penalties and forfeitures for which a constable of a district is legally liable, for any failure or dereliction in his said office, to be recovered in the same manner and in the same courts that the same fines, penalties and forfeitures are now recoverable against such district constable. It shall be the duty of said Chief of Police as ex-officio Tax Collector to collect all Town taxes, licenses, levies, assessments and such other claims as are placed in his hands for collection by the Common Council, and he may destrain and sell for taxes and assessments, and he shall have in all other respects the same power as a Sheriff of the County to enforce the payment and collection thereof within the limits of his aforesaid jurisdiction. All officers appointed by the Common Council must be residents of the said Town at the time of their appointment, and a removal from Town shall vacate their said offices.

SECTION 18. BOND AND OATH OF OFFICERS.

All officers elected and appointed under this charter shall each, before entering upon the duties of their office, and within one week from the date of their election or appointment, give such bond as shall be required by the Common Council, except as herein otherwise expressly provided, and shall make oath that they will truly, faithfully and impartially to the best of their ability, discharge the duties of their respective offices so long as they continue therein. Said oath may be taken before any person authorized to administer oaths or before the Mayor of said Town.

SECTION 19. INELIGIBILITY FOR OFFICE.

If any person elected or appointed to office shall be found ineligible to such office, or shall fail to qualify, the said Common Council shall declare the office vacant and it shall be filled in the manner prescribed in this charter.

SECTION 20. GENERAL POWERS OF THE MAYOR.

The Mayor shall be the chief executive officer of said Town, and shall take care that the ordinances, by-laws and resolutions of the Common Council thereof are faithfully executed; he shall be ex-officio a justice and conservator of the peace within the Town, and shall within the same, have, possess and exercise all the powers and perform all the duties vested by law in a justice of the peace, except that he shall not have jurisdiction in civil cases or causes of action arising out of the corporate limits of the said Town. Any warrant or other process issued by him may be executed at any place in the counties of Tyler and Wetzel. He shall have control of the police in the Town and may suspend any policeman, except the Chief of Police, for cause, and may appoint special police officers whenever he deems it necessary; and it shall be his duty to especially see that the peace and good order of the Town is preserved, and the persons and property therein protected, and to this end he may cause the arrest and detention of all riotous and disorderly persons in the Town before issuing his warrant therefor. He shall have the 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 thereof, he may commit the offending party to the jail of Wetzel or Tyler counties or other place of imprisonment in said corporation until the fine or penalty and costs shall be paid, but the term of imprisonment in such cases shall not exceed sixty days. In all cases where a person is sentenced to prison or to the payment of a fine of ten dollars (\$10.00) or more (and in no case shall a judgment for fine less than ten dollars (\$10.00) be ordered by the Mayor if the defendant or his agent, or attorney object thereto), such person shall be allowed an appeal from such decision to the circuit court of the county in which said offense was committed, and upon the execution of

an appeal bond and a surety bond deemed sufficient by the Mayor in a penalty of at least double the amount of the fine and costs imposed by the Mayor, with condition that the person purporting to appeal will perform and satisfy any judgment which may be rendered against him by the circuit court on such appeal. If such appeal be taken the warrant of arrest, if any, the transcript of the judgment, the appeal bond and other papers of the case, shall be forthwith delivered by the Mayor to the clerk of said court, and the court shall proceed to try the case as upon indictment or presentment and render such judgment, including that of costs, as the law and the evidence may require, but no judgment shall be rendered against said Town for costs on such appeal. The Mayor may from time to time recommend to the Common Council such measures and ordinances as he may deem needful for the welfare of the Town. The expense of maintaining any person committed to the jail of the county by him, except it be to answer an indictment or be under provisions of the West Virginia Code, shall be paid by said Town. Said Mayor shall pay all moneys received by him for fines or by virtue of his office belonging to the said Town, to the Recorder of the same within one week after he receives the same.

SECTION 21. DUTIES OF RECORDER.

The Recorder shall keep a journal of the proceedings of the Common Council and have charge and preserve the records of the Town. In the absence of, or in the case of sickness or inability of the Mayor, or during any vacancy in the office of Mayor, the Recorder shall perform the duties of Mayor, which pertain to him as the chief executive officer of such Town and be vested with all the powers necessary for the performance of such duties.

SECTION 22. QUORUM.

The presence of a majority of the Common Council shall be necessary to make a quorum for the transaction of business.

SECTION 23. MINUTE BOOKS.

The Council shall cause to be kept by the Recorder in a well bound book, to be called the journal, an accurate record of all the proceedings, ordinances, acts, orders and resolutions, and in another book, to be called the book of ordinances, accurate copies of all general ordinances adopted by the Council, both of which shall be fully indexed and open to the inspection of any citizen of the State of West Virginia. All oaths and bonds of officers, and all papers of the Council shall be indorsed, filed and securely kept by the Recorder. The bonds of officers shall be recorded in a well bound book, to be called the record of bonds. Said Recorder shall perform all such other duties as may by ordinance of the Council be prescribed. Said Council may bind and print in pamphlet form all the general ordinances of the said Town and transcripts of such ordinances acts, orders and resolutions, certified by the Recorder under the seal of the Town, shall be deemed prima facie correct when sought to be used before any court or before any justice.

SECTION 24. READING OF MINUTES.

At each meeting of the Council the proceedings of the last meeting shall be read and corrected if erroneous, signed by the presiding officer for the time being, and countersigned by the Recorder. Upon the call of any member, the ayes and noes upon any question shall be taken and recorded in the journal and the roll for that purpose shall be called alphabetically.

SECTION 25. MAYOR'S VOTE.

The Mayor as a member of the Common Council shall have a vote upon all questions submitted to and voted on by said Common Council, and in case of tie shall have the deciding vote. He shall also be the presiding officer of said Common Council.

SECTION 26. NOTICE OF COUNCIL MEETINGS.

The regular meetings of the Common Council shall be on the first Monday night in each month, and at such times as may be deemed necessary for the transaction of the business of said Town and shall be held at such place in said Town as the Common Council shall from time to time ordain and appoint; and said Common Council shall meet in special session upon the call of said Mayor or upon the call of any two of the councilmen. And Common Council shall by ordinance prescribe the mode in which notice of special meetings shall be given; and no business shall be transacted at such special meetings, except as prescribed and set forth in said notice, and then only when a majority of all the members of the Common Council shall be present, except that a less number may compel the attendance of absent members under such reasonable penalties as they may think proper to impose; and all questions put, except in such matters as are hereinafter provided for, shall be decided by a majority of the members present.

SECTION 27. DISBURSEMENT OF FUNDS.

The moneys belonging to the Town shall be paid over to the Recorder, and no money shall be paid out by him except as the same shall have been appropriated by the Common Council, and upon an order signed by the Mayor and himself.

SECTION 28. RECORDER AS TREASURER AND ASSESSOR.

The Recorder of said Town shall be ex-officio Treasurer and Assessor of the same, and shall give bond in such penalty and with such sureties as the Common Council shall prescribe, conditioned for the faithful performance of his duties.

SECTION 29. GENERAL POWERS OF COUNCIL.

The Common Council of said Town shall have power to lay off, vacate, close, alter, grade and keep in good repair the roads, streets, alleys, pavements, sidewalks, cross-walks, drains and gutters therein for the use of the citizens and of the public and to improve and light the same and to keep them free from obstruction of every kind; to regulate the width of the pavements, sidewalks, footways, drains and gutters to be kept in good order, free and clean by the owner or occupants of the real property next adjacent thereto; to lay off, open, close, vacate or maintain public grounds, parks, and public places, and name and rename the same, to have control and supervision thereover, to protect the same from damage or other injury by persons or property, to fix fines and punishments for any injury thereto in violation of any of the orders of said Common Council, and to maintain good order and prevent violations of the ordinances of said City therein and thereon; to establish and regulate markets, prescribe the time of holding the same, provide suitable and convenient buildings therefor, and prevent the forestalling of such

markets; to prevent injury or annoyance to the public or to individuals from anything dangerous, offensive, or unwholesome; to regulate or prohibit street carnivals, or street fairs, or street parades, advertising exhibitions or other exhibitions on the streets and highways of said Town or exhibition of wares, merchandise, material, or artificial curiosities on any street, sidewalk, alley or public place of said Town; to regulate or prohibit to ringing of bells, blowing of steam whistles, or use of hand organs, or other instruments of annoyance, or other music of itinerant performers in the streets, or public speaking or preaching in the streets, roads, parks, or public places of the Municipality; to license, regulate or prohibit auctioneering; to license, regulate or prohibit the sale of goods, wares, merchandise, drugs, or medicine on the streets or in other public places; to regulate the time and place and manner of bathing in swimming pools, driving of cattle through, upon and along the streets and alleys of said Town; to arrest, convict and punish any person for gambling or keeping any gaming table, commonly called "Faro Bank," or table and chips used in playing such games, crap, crap table, chips or dice used in playing such games, or roulette or the wheel, chips or other equipment used in playing such game, or keno table or table of like kind or device used in playing the same or table of like kind under any denomination, whether the game or games be played with cards, dice or otherwise on which anything is bet or wagered, whether the same be played in any public or private room or residence, and may convict and punish any person who shall be partner or concerned in interest in the keeping of any such gambling devices heretofore enumerated, or in any game played, such as prohibited hereby, or in keeping or maintaining any gambling house or place of gambling for money or anything of value, and shall have the right to destroy such gambling paraphernalia as may be found on any such premises, and any officer armed with a warrant for the arrest of any person engaged in such unlawful game or for the search of any room in which gambling is suspected, or for the seizure of any gambling paraphernalia, shall have the right to break into any building, other than a private dwelling house, without notice or demand, and into a private dwelling or room, after demand and refusal to open same, provided, always however, that no search or seizure shall be made except in the manner provided by general law; to regulate or prohibit the placing of signs and the use of walls or walks for signs; to regulate or prevent the distribution or posting of any sign or bill, either on paper or painted, that, in the opinion of the Common Council or Mayor, is indecent, immoral or unsightly; to regulate or prohibit the distribution of hand bills, circulars and other advertisements of like kind, on the streets, roads, alleys and public places, or the placing of same in private yards, buildings or other structures, without having first produced the consent of the owner or occupier of such property; to prevent and prohibit the use of indecent or profane language within the corporate limits, and to provide and fix punishment therefor; to prevent and prohibit any tumult, riot, quarrel, angry contention, or abusive language, and to prevent the use of insulting epithets, assaults, assault and battery, and fix fines and punishments therefor; to arrest, convict and punish any person for cruelty, unnecessarily or needlessly beating, torturing, mutilating, killing, or overloading, or overdriving, or wilfully depriving of necessary sustenance, any horse or other domestic animal; to prohibit or regulate slaughter houses, tan houses, and factories within the corporate limits;

and to prohibit the exercise of any offensive business, trade or employment; to abate all nuisances within the corporate limits, and to require or compel the abatement or removal thereof, at the expense of the person causing the same, or by or at the expense of the owner of the ground at the place they are found; to cause to be filled up, raised or drained by or at the expense of the owner, any City lot or tract of land covered or subject to be covered by stagnant water; to prevent horses, hogs, cattle, sheep and other animals and fowls of all kinds from going or being at large in said Town, and as a means of prevention, said Common Council may provide for impounding and confining said animals and fowls, and upon the failure to reclaim, for the sale thereof; to protect places of divine worship and preserve order in and about the premises where and when such worship is held; to protect places of public instruction, schools and high schools, and to preserve order in and about all school buildings therein; to regulate the keeping of gun powder and other dangerous explosives and substances; and to regulate or prohibit the use of fire-crackers, sky-rockets, toy pistols, air rifles or guns, within the said Municipality; to apprehend and punish any person who, without a State license therefor, is guilty of carrying about his person, within the Municipality, and revolver or other pistol, dirk, bowie knife, sling shot, razor, billy, metallic or false knuckle, or any other dangerous or deadly weapons of like kind and character, and the punishment therefor, whether for the first or other offenses, shall be that now or hereafter prescribed by West Virginia Code guilty under the misdemeanor clause provided therein; to regulate the building of houses and other structures; for the maintaining and making of division fences by the owners of adjacent premises; and for the proper drainage of Town lots and other parcels of land by or at the expense of the owner or occupant thereof, when such drainage shall be deemed necessary for the protection of the public health; to provide against danger or damage by fire; to prohibit the keeping of or loitering in or visiting houses of illfame, or loitering upon the streets of said Town; to prevent lewd or lascivious conduct, the sale or exhibition of indecent pictures or other representations; the desecration of the Sabbath day; to prevent swearing; the illegal sale of intoxicating liquors, mixtures and preparations, porter, beer, ale, wine or other drinks of like nature; to protect the persons of those residing or being within said Town; to prevent the illegal sale of tobacco, cigars, snuff, or cigarettes, within said Municipality, and to fix fines and punishments for violations thereof; to restrain all felons and persons guilty of offenses against this State or the United States, and deliver them over to the authorities or court having jurisdiction of the offense whereof such persons are accused; to appoint when necessary or advisable a police force, permanent or temporary, to assist the Chief of Police in the discharge of his duties; to build or purchase or lease and use a suitable place of imprisonment within said Town for the safe keeping or punishment of persons charged with or convicted of the violation of ordinances; to erect, maintain, authorize or prohibit gas or water works within the corporate limits; to prevent injury of such works, or the pollution of any water used or intended to be used by the public or individuals; to provide for and regulate the measuring and weighing of hay, coal, lumber or other articles sold or kept or offered for sale within said Town, and to establish rates and charges for said weighing or measuring; to limit the speed, size and weight of vehicles upon the streets, alleys, and other public thoroughfares within its limits as

are not designated by the State Road Commission as connecting parts of the State road system, and to regulate the parking of vehicles upon any designated streets, alleys and other public thoroughfares within its limits, and to regulate the progress of traffic at street intersections, in congested districts thereof; to create by ordinance such committees and boards and delegate such authority thereto as may be deemed necessary or advisable; to provide for the annual assessment of the taxable property therein, including dogs, kept in said Town, and to regulate their running at large; to provide a revenue for the Town for Municipal purposes and to appropriate such revenue to its expenses and to take such measures as may be deemed necessary or advisable to protect the property, public and private, within said Town; to preserve and maintain peace, quiet and good order therein, and to preserve and promote the health, safety and well being of the inhabitants thereof.

The said Common Council shall have authority to pass all ordinances which shall be necessary or proper to carry into full effect and force, the authority and jurisdiction which is or shall be granted or vested in said Town, or in the Common Council thereof, or in any officer, or body of officers of said Town, and to enforce any and all ordinances by reasonable fines and penalties and by imprisonment, and upon failure to pay any such fine or penalty imposed, by compelling defaulting party to labor without compensation on any of the public works or improvements undertaken or to be undertaken by said Town, or to labor at any work which the said Town may lawfully employ labor upon, at such rate per diem as the Common Council may fix, but not at a less rate than is fixed by said Common Council for like labor from other employees of the Town, until all fines imposed upon such offenders have been paid and discharged, after deducting the charges of support while in the custody of the officers of said Town; provided, however, that no fines shall be imposed exceeding one hundred dollars (\$100.00), and no person shall be imprisoned or compelled to labor as aforesaid more than sixty days for any offense; and in all cases where a fine is imposed for an amount exceeding ten dollars (\$10.00) or a person be imprisoned or compelled to labor as aforesaid for a term greater than ten days, an appeal may be taken from such decision upon the same terms and regulations that appeals are taken from the judgment of a justice of this State; such fines and penalties shall be imposed and recovered and such punishment inflicted and enforced by and under the judgment of the Mayor of said Town, or, in case of his absence or inability to act, by the Recorder, or if he be unable to act, then a member of the Common Council shall be appointed by the Council for that purpose. In addition to the powers already enumerated, the said Council shall have power to amplify, improve, extend and expand the water works of said Town, to contract by public contract for an adequate supply of pure, healthful water for said Town, and do all things necessary to secure an adequate supply of pure, wholesome water, and to provide, contract by public contract for and construct, an adequate sewerage system for said Town. When anything for which a State license is required is to be done within the limits of said Town, the Common Council may decide whether such license may be granted or not, and if granted it shall be assessed and collected the same as if granted by the County Court of each respective county. Such license shall be issued in the manner and form prescribed by Sections ten and eleven, Chapter thirty-six of the Code of West Virginia; and the sole and exclusive power is vested in said Town Council to grant or refuse State licenses within the limits of said Town. When any such license as is hereinbefore mentioned is granted by said Common Council, said Common Council may impose a tax thereon for the use of

said Town in conformity with the State law, and shall also require license bonds payable to the said Town in its corporate name, with good security, such bonds to be approved by said Common Council, to be in the same penalty as required by the State law, and the said Common Council may revoke such license at any time the condition of the bond shall be broken, upon ten days' previous notice to the person, persons or corporations holding the same, and suits may be prosecuted and maintained on such bond as is prescribed in Section twenty-two of Chapter thirty-two of the Code of West Virginia, by the same person, in the same manner and to the same extent, as upon the bond mentioned in the said section, and all the provisions of said section in relation to the bonds therein mentioned shall be applicable to the bonds required by this section. Provided, that nothing herein contained shall be construed as authorizing or empowering the said Town or its Council to impose any license or other tax upon motor vehicles except the regular property tax.

Said Common Council shall also have power to levy, assess, and collect taxes upon the real and personal property within said Town, but such taxes shall be uniform with respect to persons and property within the jurisdiction of said Town; and the said Common Council as soon as convenient after the first day of May, in each year, and after the annual assessment, shall cause to be made up and entered upon its journal an account and estimate of all sums which ought to be paid within one year; and it shall order a levy of so much as in its opinion may be necessary to pay the same not exceeding that allowed by law. The levy so ordered shall be upon the male persons, residents of the said Town, all real and personal estate within the said Town subject to State and County taxes, but in no year shall such levy exceed one dollar (\$1.00) on each one hundred dollars (\$100.00) of valuation. Such levy shall also include a poll tax of not more than one dollar (\$1.00) upon each male resident of said corporation over twenty-one years of age.

Said Common Council shall also have power to contract by public contract, for the paving of its streets and alleys; to establish and regulate the grade thereof, and to provide for the maintenance and repair of the same; to provide for the maintenance, continuance and enjoyment of its water works; to provide for the maintenance, establishment and enjoyment of fire companies, for the purpose of protecting the property of the citizens of said Town from destruction or damage by fire. But said Town shall not hereafter be allowed to become indebted in any manner for any purpose to an amount including the existing indebtedness, in the aggregate, exceeding five per centum (5%) of the value of the taxable property therein, to be ascertained by the last assessment for State and County purposes previous to the incurring of such indebtedness, without at the same time providing for the collection of a direct annual tax sufficient to pay annually the interest on such debt and the principal thereon within and not exceeding thirty-four years; provided, that no debt shall be contracted under this charter unless all questions connected with the same shall have been first submitted to a vote of the people and have received three-fifths of all the votes cast for and against the same. Said Common Council shall not grant any franchise to any person, or corporation, within said Town limits which shall be either exclusive or perpetual, and no franchise involving the use or occupancy of the same, shall be granted except by an ordinance to that effect; and no such ordinance shall be passed unless the question of the granting of such franchise shall have been first submitted to a vote of the people, and shall have and receive a majority of all the votes cast upon the question;

provided, such submission shall have been petitioned for by at least one-tenth of the qualified voters of said Town, to be ascertained according to the number of votes cast at the last preceding election.

SECTION 30. LANDINGS, WHARVES AND DOCKS.

It shall be lawful for the Common Council to establish and construct landings, wharves and docks on any ground, street or alley which does or shall belong to said Town, and to repair, alter and remove any building, wharf or dock, and to collect a reasonable tax on vessels coming to or using the same; and shall have power to pass and enforce such ordinance as shall be proper to keep the same in good order and repair; to preserve peace and good order at the same and regulate the manner in which they shall be used; it shall also have power to appoint a wharfmaster if the same shall be deemed necessary, or to confer that duty upon any other officer, and to prescribe the duties of such acting wharfmaster, fix his fees and make all regulations in respect thereto as it may deem necessary.

SECTION 30a. MUNICIPAL LIGHT PLANT.

The Common Council shall have the right to acquire erect, construct, maintain, operate and control any electric light or generating plant within said Town, or to provide for, or to purchase electric power and to use, generate, distribute, sell and control electricity for light and power, and to furnish electricity for the streets, dwellings, buildings, stores and other places in and about said Town, and for such electricity other than that furnished for the Municipality in lighting its streets, or public places, it may charge reasonable rates, but such rates in all cases shall be uniform; and such electric light plant and distribution system shall be under the supervision and control of said Common Council, and its wires, poles, distributing system and machinery shall be kept in such repair so that as little danger as possible shall arise therefrom, and so that same will furnish an adequate supply of electricity to all persons in said Town desiring to use same.

SECTION 31. EMINENT DOMAIN.

The Common Council shall have the right to institute proceedings in the name of the Town for the condemnation of real estate for streets, alleys, drains, markets, market ground, Town prison or other work or purposes of public utility; such provision shall conform to Chapter forty-two of the Code of West Virginia. And said Common Council shall also have power to acquire by purchase, gift or condemnation one or more lots necessary for Municipal buildings on which to place such buildings as they may deem necessary for the meeting of said Common Council and for the keeping of the office of said Common Council, and for the keeping of the property of said Town; and said Common Council shall also have the power to organize or authorize the organization of fire companies, hose companies or any other company or aggregation or persons for the purpose of protecting the property of the citizens of said Town against destruction by fire, and authorize such companies to create and hold property necessary and ordinarily held and used by such fire companies. Common Council shall not have power to release or relieve any taxpayer from payment of taxes levied on or assessed against him or them.

SECTION 31a. LEGAL COUNSEL.

Common Council of said Town shall have the right to employ such legal counsel as it may deem necessary to protect the interests of said Municipality.

SECTION 32. STREET LABOR.

The Common Council shall have power to require every male resident in said Town, between the ages of twenty-one and fifty years, to expend two days' labor upon the streets, alleys and public works of said Town during each current year when properly notified so to do by the Common Council and the Common Council shall have power also to permit such persons liable to perform work upon the streets, alleys and public works, of said Town, to commute for the same by paying into the treasury of said Town not to exceed one dollar and five cents (\$1.05) per day for each day that he may fail so to labor when properly warned so to do; and in case any person liable to perform such labor shall fail to do so for ten days after having been properly and legally notified to that effect, the said Recorder of the said Town, upon a return of that fact to him by the Chief of Police, shall make out and sign a tax bill, stating the amount for which such individual is delinquent, and shall place the same in the hands of said Chief of Police, who shall have the same power in relation thereto, to levy, distrain and sell the property for the collection of such bill as he has under this charter or any by-law in regard to the collection of taxes of said Town.

SECTION 33. POOR RELIEF.

The Common Council shall have full power to provide for the keeping of its poor or indigent person within the limits of the said Town, and the citizens of said Town shall be exempt from the payment of all County poor taxes for each and every year which the said Town Council shall provide for the keeping of its own poor.

SECTION 34. BOARD OF HEALTH.

The Common Council shall have power to appoint and constitute a Board of Health consisting of one reputable physician and two of its own members, which said Board of Health under the supervision and with the approval of said Common Council shall have full power to make all needful rules and regulations for the keeping and maintaining of the said Town in proper healthful condition, and when such Board of Health shall have been elected and organized it shall have exclusive control of all matters relating to the public health within the limits of the said Town.

SECTION 35. STREETS.

Upon the petition in writing of the persons owning the greater amount of frontage of the lots or land abutting on both sides of any street or alley, between any two cross-streets or between a cross-street and an alley, whether such two cross-streets or cross-street and alley be adjacent or not, the Common Council of said Town may order any part of any street or alley to be graded, paved, repaved, re-surfaced and curbed, or either thereof, between the side walks in such manner and with such material as may be determined by the Common Council, from one of such cross-streets or alley to the other, under such regulations fixed by ordinance passed by the Common Council, and the cost of such grading, paving, re-paving, or re-surfacing or curbing shall be levied against and paid as follows: One-third thereof shall be paid by the City, out of any funds at disposal of the Common Council, and the other two-thirds shall be assessed against the abutting property owners in proportion to the frontage of the lots or land abutting on both sides of the street or alley.

In making such assessments the basis shall be the cost of grading, paving, re-paving, or re-surfacing or curbing that part of the street or alley on which the property lies included between the designated cross-streets or alleys, and the amounts assessed against the owners of each lot or part of a lot of land shall be in the proportion which the frontage of such lot or part of lot or land bears to the whole cost of grading, paving, re-paving, re-surfacing or curbing said street or alley between said cross-streets or alleys as aforesaid; provided, however, that in case such street or alley so graded, paved, re-paved or re-surfaced is occupied by street car tracks or other railway, the cost of grading, paving, re-paving, or re-surfacing between the rails, and for two feet outside each rail shall be assessed to and paid by the street car or other railway company unless otherwise provided by the franchise of such street car or other railway company granted previous to the time this act goes into effect, and the abutting land owners shall be assessed only with the proportionate balance of the cost of such paving after deducting the amount assessed against said street car or other railway company; and, also, provided, that in case the cost of paving or otherwise improving said street or alley shall exceed the true and actual value of the abutting property, the excess cost shall be paid by the Town out of the general funds.

The Town Council may issue certificates for the amount of said assessments against abutting property owners which may be sold to the contractor doing the work, or other person, in full of the total cost of said work; provided, the City in negotiating and selling such certificates shall not be held a guarantor or in any manner liable for payment thereof, except upon the direct action of the Common Council as expressed by resolution of record before such sale. Said certificates shall be payable serially in ten years from date with interest not exceeding six percent (6%) annum. If the said certificates remain unpaid for more than sixty days after they become due and payable, it shall be the duty of the Recorder upon being requested so to do by the owner of said certificates to certify said assessments to the clerk of the county court of the county in which the property involved is located, who shall record and index the same as other liens of like kind are recorded and indexed, and the same shall be and remain a lien upon the real estate against which said assessments are made; and, said assessments shall in addition, be the personal obligation or debt of the owner or occupant of said property; and said lien and said debt or obligation may be enforced in the name of the owner of said certificates in like manner as other liens and debts are enforced.

The lien created by such assessments may be released upon presentation to the clerk of the county court of all the bonds or certificates issued thereunder, as to any specific real estate therein described or located, showing that the same have all been paid, and such clerk is hereby empowered to release the lien of such assessment as to any such real estate by noting a release thereof on the record of the lien as to such real estate on the margin of the deed of trust book where the same is recorded and such annotation by such clerk shall have the effect to release such real estate from such lien as effectively as a regularly executed and recorded release thereof. The proceeds from the sale of such bonds or certificates of indebtedness shall be applied to the payment of the indebtedness incurred in making the improvements on account of which such bonds or certificates of indebtedness were issued.

SECTION 36. ASSESSMENTS.

It shall be the duty of the Recorder of said Town, as ex-officio Assessor, to make an assessment of the property within said Town, subject to taxation, substantially in the manner and form in which assessments are made by the Assessor of the county, and to return the same to the Common Council on or before the first day of May of each year, and for this purpose he shall have all power conferred by law on the County Assessor. He shall list the number of dogs in Town and the names of the persons owning the same, which list shall be returned to the Common Council. In order to aid said Common Council in ascertaining the property of person subject to taxation by said Town, the Recorder of the same shall have access to all the books and public records of Wetzell and Tyler counties without expense to said Town or Recorder, and he shall also have the same power, and be subject to the same penalties, in ascertaining and assessing the property and subjects of taxation in said Town, as are granted and imposed upon the County Assessors by general law; and the Common Council shall also have authority to prescribe by ordinance, such other rules and regulations as may be deemed necessary to enable and require such Recorder to ascertain and properly assess all property and persons liable to be taxed in said Town, so that such assessment and taxation shall be uniform; and to enforce such ordinances by reasonable fines and penalties. Upon the return of the Recorder's assessment books to the Common Council as herein provided, with the list and valuation of the personal and real property and all other subjects of taxation, the same shall be laid before the Common Council for its inspection and consideration, and the Common Council shall have power to revise the action of the Recorder as well also as to revise the valuation made by him upon the subjects of taxation, and authority to increase or diminish such valuation. After such inspection by the said Common Council and such correction, if any, the Common Council shall then approve the said assessment, and cause the same to be correctly copied by the Recorder into two well bound books provided for the purpose, and the taxes extended in each book, one of which shall be delivered to the Chief of Police as ex-officio Tax Collector, taking his receipt therefor, as well as for the taxes therein contained.

SECTION 37. TAX LIENS.

There shall be a lien on real estate within said Town for the Town taxes assessed thereon, and for all fines and penalties assessed to, or imposed, which shall have priority over all other liens except the liens for taxes due the State and County, and which may be enforced by the Common Council in the same manner provided by the law for the enforcement of liens for County taxes. If any real estate within said Town be returned delinquent for the non-payment of taxes due thereon, a copy of such delinquent list may be certified by the Common Council to the Auditor of the State and the same may be sold for said taxes, interest and commission thereon, in the same manner, at the same time and by the same officers as real estate is sold for State taxes.

SECTION 38. TAX COLLECTOR.

It shall be the duty of the Chief of Police, as Tax Collector ex-officio, when the extended copies of the Recorder's books are completed to receive one copy thereof, receipting to the Common Council for the same, and for the taxes therein extended, and it shall be his duty to collect from the parties the net amount of taxes with which they are therein severally charged, and such levy and assessment shall be delivered to such collector on or before the first day of June in each year. From and after the first day of June in each year, and until the fifteenth day of July succeeding, any citizen and taxpayer shall have the right to make payment of his taxes to such collector, and if paid by such taxpayer, within that time he shall be entitled to a discount of two per centum (2%), and the tax receipt delivered up to him. If the taxes so levied, assessed and placed in the hands of said collector for collection shall not be paid on or before the fifteenth day of July in each year, then it shall be the duty of said collector to collect all such taxes remaining unpaid by distraint and sale and otherwise according to law. He shall also receive such other moneys of the Town as he is authorized by this charter to receive, and all moneys ordered paid him by the Common Council, giving receipts therefor to the parties paying, and shall keep an accurate account of the same, and his books shall at all times be open for inspection to any taxpayer of the said Town, and he shall produce said book to said Common Council for inspection at any meeting thereof upon the order of the Common Council; he shall pay over promptly all moneys which he may receive within ten days into the hands of the said Recorder, who shall be ex-officio Treasurer of said Town. He shall also on or before the first day of January of each year, present to the Common Council a full, complete and detailed statement of all money with which he was chargeable or that have been received by him up to that time; and shall at the same time furnish a statement of all dues, taxes and assessments uncollected and a statement of the reason for the same. He shall at any other time upon the order of the Common Council submit a statement of the amount of money and dues with which he is chargeable; and shall receive all taxes upon licenses and receipt to the party paying the same by endorsement upon the permit granted by order of the Common Council, which permit shall be furnished him by the Recorder, and charge himself with the amount so received, and report to the Common Council at its next regular meeting thereafter the amount so received, and pay the same to the Recorder. He shall, upon all moneys coming into his hands and duly turned over by him to the Recorder, receive as compensation therefor a sum to be fixed by the Common Council not exceeding five per centum (5%) on the amount collected; and shall upon the expiration of his term of office turn over to the Common Council, all moneys, taxes and other property in his possession belonging to the Town. He shall on entering upon the duties of his office execute a bond with good security, payable to the Town of Paden City, in the penalty of not less than four thousand dollars (\$4,000), conditioned for the faithful performance of the duties of his office and for the accounting for and paying over, as required by law, all moneys which may come into his hands by virtue of his office; he shall be chargeable with all Town taxes, levies, assessments and moneys, of the Town that may come into his hands and shall account therefor. He shall pay into the hands of the Recorder as ex-officio Treasurer all moneys in his hands taking the said Recorder's receipt therefor.

SECTION 39. LICENSES.

Common Council shall prescribe by ordinance the manner and form in which licenses of all kinds shall be applied for and granted, and shall require the payment of the tax thereon before delivery to the person applying therefor.

SECTION 40. STATE LICENSE LAWS.

The provisions of the twenty-ninth section of Chapter thirty-two of the Code of West Virginia, relating to state license shall be deemed applicable to license of a similar character as those therein mentioned, when granted by or under authority of the Common Council of said Town. License for the keeping of dogs shall expire on the thirtieth day of April next from their granting; all other licenses may be for such term as the Common Council may determine.

SECTION 41. PRESERVATION OF ORDER.

It shall be the duty of the Chief of Police to preserve order in the Town under the supervision of the Mayor.

SECTION 42. STREET COMMISSIONER.

The Mayor as Street Commissioner ex-officio with the aid and approval of the Common Council, shall have charge of the opening, maintenance, construction and repair of the streets, alleys, ways and wharves of the Town and the control of the laborers thereon.

SECTION 43. ENFORCEMENT OF CHARTER.

The Common Council in being at the time this Charter shall take effect shall pass all proper orders, and ordinances, to give to this Charter full force and effect; and all officers of the Town acting as such at the time this Charter takes effect, shall continue in office until the end of their respective terms, and until their successors are elected and qualified; to exercise the powers and perform the duties and receive the compensation heretofore conferred, prescribed and allowed by general law, by-law or ordinance of said Town. All general and special laws of the State of West Virginia, governing cities and towns, and now applicable and not inconsistent with the provisions of this Charter shall apply to and govern the Town of Paden City. All by laws, ordinances and resolutions lawfully passed and in force in the Town of Paden City under its former organization and not inconsistent with this act shall remain in force throughout the Town of Paden City until altered or repealed by the Common Council of the said Town of Paden City. All rights and property heretofore vested in said Town of Paden City are continued in its title and no right or liability, either in favor of or against the said Town of Paden City at the time this Charter takes effect, and no suit or prosecution of any kind, shall be effected by such change, unless otherwise provided for by this Charter.



AN ORDINANCE EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE TOWN OF PADEN CITY, COUNTY OF WETZEL, STATE OF WEST VIRGINIA, PURSUANT TO THE PROVISIONS OF WEST VIRGINIA CODE §8-6-1, ET SEQ, BY ANNEXING THERETO A CERTAIN TERRITORY CONTIGUOUS TO AND NOT EMBRACED WITHIN THE PRESENT LIMITS OF THE TOWN OF PADEN CITY

PREAMBLE

Whereas, a petition in writing has been presented to the Town Council for the Town of Paden City, signed by qualified voters residing in a certain territory, requesting annexation of said territory to the Town of Paden City; and

Whereas, a second and separate petition in writing has been presented to the Town Council for the Town of Paden City, signed by freeholders of said territory, requesting annexation of said territory to the Town of Paden City;

The Town Council of the Town of Paden City does ordain as follows:

SECTION ONE

Said petitioners have petitioned the Town of Paden City requesting annexation of a certain territory which is more fully described as follows:

A tract of land located on the NE section of Paden City and adjacent to the Corporation City Limits on the East R/W line of Harrison Alley and Spring Street, Magnolia District, Wetzel County, West Virginia, more precisely described as follows:

Beginning at a concrete monument, triangular shape 6" x 6" x 6" x 3' high, a common corner to Eighth Avenue, Harrison Alley, Lot #1 of the L. McIntyre Addition and lot #1 of the T & W Investments Inc. Addition. Thence with the McIntyre Addition line N 53-30 E, 664.00' to a 1/2" diameter iron pipe in Cherry Stump (Dwg. 273, L. McIntyre Add.). Thence up the hill S 38-09 E, 1086.60', more or less, to a point in the D.



Smittle line (D.B. 71/18). Thence with the Smittle line S 48-09 E, 348.30', more or less, to a 1/2" x 1" iron rod (set). Thence down the hill with the West line of lot #3 N 40-57 W, 572.61' (cal.) to a 1/2" x 1" iron rod (reset 6/84) and referenced by an 11" twin Poplar N 3'. Thence S 47-15 W, 122.89' to a 1/2" x 1" iron rod (set). Thence N 37-11 W, 196.03' to a 5/8" diameter iron rod w/plastic cap (set). Thence N 87-41 W, 146.70' (cal.) to a 5/8" diameter iron rod w/plastic cap (exist.) in the East R/W line of Spring Street. Thence N 28-30 W, 305.56' to the point of beginning, containing 11.43 acre, more or less, as surveyed by C. A. Smith 10/21/81 and shown on Plat #440, Rev. 2, attached hereto and made a part of the deed description.

This tract being a part of the tract as described in D. B. 3/79 "Geo. Bridgeman Paden City Annex."

The Town Council determines that said territory is contiguous to the Town of Paden City; that said territory is not embraced within the town limits; that more than sixty (60%) percent of the qualified voters residing in said territory have petitioned for the annexation of the territory to the Town of Paden City; that more than sixty (60%) percent of the freeholders owning property in said territory have petitioned for annexation of the territory to the Town of Paden City; and that, therefore, the Town Council of the Town of Paden City has jurisdiction to annex the above described territory to the Town of Paden City.

SECTION TWO

The corporate limits of the Town of Paden City are hereby extended and increased so as to include and embrace within the corporate limits of the Town of Paden City the territory described in Section One hereof, and such territory is hereby annexed and declared to be a part of the Town of Paden City.



SECTION THREE

The map or plat attached to this ordinance is an accurate map of the territory annexed, and the same is hereby adopted as the official map and plat of the territory hereby annexed, which map and plat show the legal boundaries thereof, together with the avenues, streets, alleys, and lanes and the locations thereof, and the same are hereby dedicated to public use for the purposes designated on the map or plat.

SECTION FOUR

The mayor of the Town of Paden City is hereby authorized and directed to certify that the map is an accurate map of the territory annexed under the provisions of this ordinance.

SECTION FIVE

The mayor of the Town of Paden City shall execute and forward a certificate of such annexation along with a certified copy of this ordinance and the official map attached thereto, to the County Commission for the County of Wetzel, State of West Virginia, for entry of an Order of annexation.



SECTION SIX

On the entry of said Order of annexation by the County Commission for the County of Wetzel, State of West Virginia, the fee of all avenues, lanes, streets, highways, roads, and alleys shown in and on the official map shall vest in the Town of Paden City.

SECTION SEVEN

Passed on FIRST READING this 3 day of January, 1989.

Passed on SECOND AND FINAL READING this the 6 day of February, 1989.

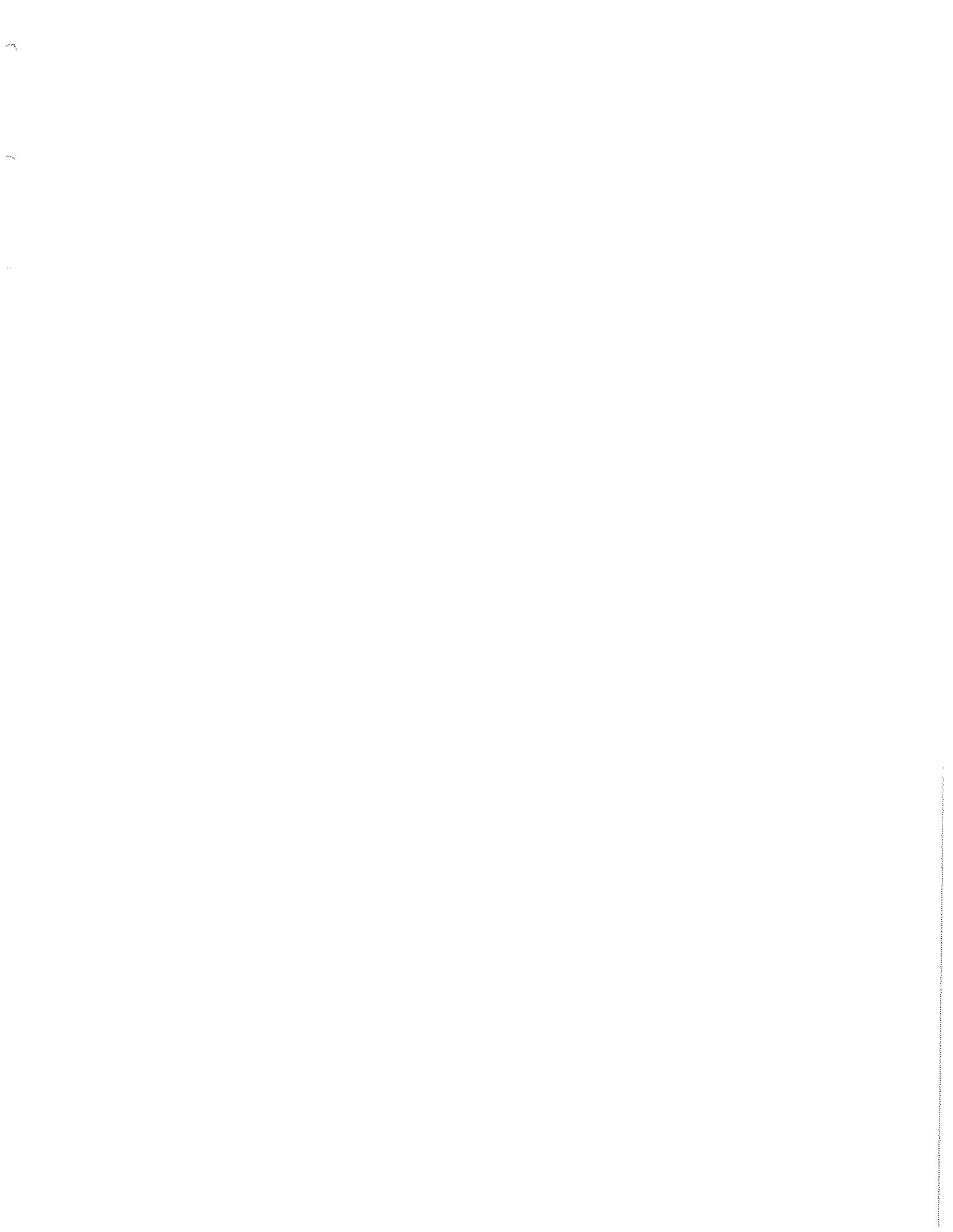
BY THE COMMON COUNCIL OF THE CITY OF PADEN CITY
WETZEL COUNTY, WEST VIRGINIA

SIGNED: [Signature]

ATTEST:

[Signature]



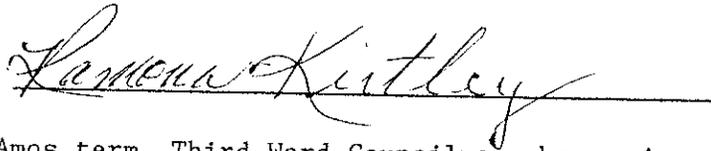


STATE OF WEST VIRGINIA, COUNTY OF WETZEL

CITY OF PADEN CITY

OATH OF OFFICE

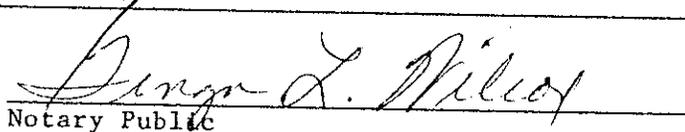
I, Ramona Kirtley, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Councilwoman of the City of Paden City, West Virginia, so long as I shall continue therein.



Term Expires June 30, 2001
Sworn in for remainder of Ed Amos term, Third Ward Councilman who resigned Feb. 5, 2001
Subscribed and sworn to before me this 9th day of February

2001
~~XXXXX~~

My Commission expires April 1, 2002

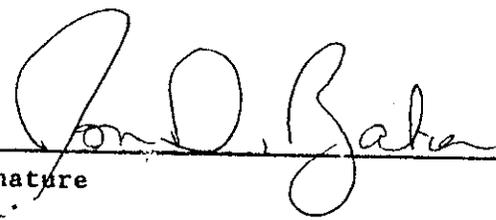


Notary Public

STATE OF WEST VIRGINIA, COUNTY OF WETZEL
CITY OF PADEN CITY

OATH OF OFFICE

I, Jon D. Baker, do solemnly swear that I will support
the constitution of the United States, the constitution of the State of
West Virginia, the charter and ordinances of the City of Paden City, and
that I will truly, faithfully and impartially, to the best of my ability,
discharge the duties of my office as Councilman of the City of Paden City,
West Virginia, so long as I shall continue therein.



Signature

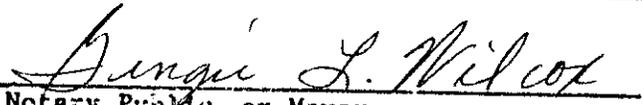
Took Office Effective July 1, 1999.

Term Expires June 30, 2001.

Subscribed and sworn to before me this 5th day of July

19 99

My Commission expires April 1, 2002.



Notary Public or Mayor

STATE OF WEST VIRGINIA, COUNTY OF WETZEL

CITY OF PADEN CITY

OATH OF OFFICE

I, Guy Estep, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Councilman of the City of Paden City, West Virginia, so long as I shall continue therein.

Guy Estep
Signature

Took Office Effective July 1, 2000.

Term Expires June 30, 2002.

Subscribed and sworn to before me this 17th day of July, ~~19~~ ²⁰⁰⁰.

My Commission expires April 1, 2002.

George L. Milroy
Notary Public

STATE OF WEST VIRGINIA, COUNTY OF WETZEL

CITY OF PADEN CITY

OATH OF OFFICE

I, James Richmond, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Councilman of the City of Paden City, West Virginia, so long as I shall continue therein.

James Richmond

Took Office Effective July 1, 2000

Term Expires June 30, 2002

Subscribed and sworn to before me this 5th day of July 2000.

My Commission expires

April 1, 2002

George L. Wilcox
Notary Public

STATE OF WEST VIRGINIA, COUNTY OF WETZEL

CITY OF PADEN CITY

OATH OF OFFICE

I, Charlotte Shepherd, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Padon City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Councilman of the City of Padon City, West Virginia, so long as I shall continue therein.

Charlotte L. Shepherd

Signature

Took Office Effective July 1, 2000.

Term Expires June 30, 2002.

Subscribed and sworn to before me this 26 day of July

~~19~~ 2000

My Commission expires April 1, 2002.

Ginger L. McCoy

Notary Public

STATE OF WEST VIRGINIA, COUNTY OF WETZEL

CITY OF PADEN CITY

OATH OF OFFICE

I, John Stagers, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Councilman of the City of Paden City, West Virginia, so long as I shall continue therein.

John Stagers
Signature

Took Office Effective July 1, 1999.

Term Expires June 30, 2001.

Subscribed and sworn to before me this 5th day of July

19 99

My Commission expires April 1, 2002.

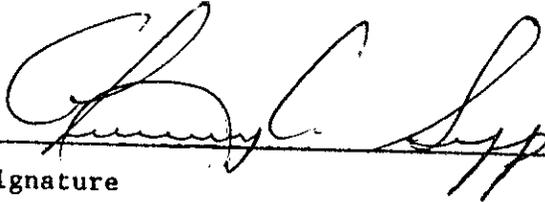
Burton L. Milcox
Notary Public or Mayor

STATE OF WEST VIRGINIA, COUNTY OF WETZEL

CITY OF PADEN CITY

OATH OF OFFICE

I, Anthony P. Sapp, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Mayor of the City of Paden City, West Virginia, so long as I shall continue therein.



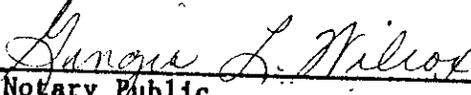
Signature

Took Office Effective July 1, 2000.

Term Expires June 30, 2002.

Subscribed and sworn to before me this 3rd day of July
²⁰⁰⁰₁₉.

My Commission expires April 1, 2002.


Notary Public

STATE OF WEST VIRGINIA, COUNTY OF WETZEL
CITY OF PADEN CITY

OATH OF OFFICE

I, Ginger L. Wilcox, do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Recorder of the City of Paden City, West Virginia, so long as I shall continue therein.

Ginger L. Wilcox

Signature

Took Office Effective July 1, 1999.

Term Expires June 30, 2001.

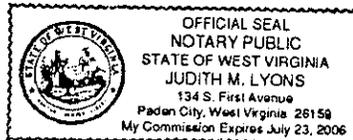
Subscribed and sworn to before me this 6th day of July

19 99

My Commission expires July 23, 2006.

Judith M. Lyons

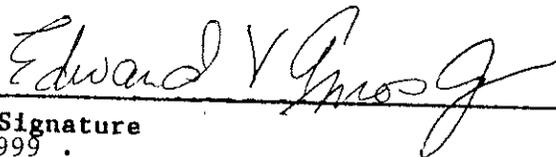
Notary Public or Mayor



STATE OF WEST VIRGINIA, COUNTY OF WETZEL
CITY OF PADEN CITY

OATH OF OFFICE

I, Edward V. Amos, Jr., do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, the charter and ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Councilman of the City of Paden City, West Virginia, so long as I shall continue therein.



Signature

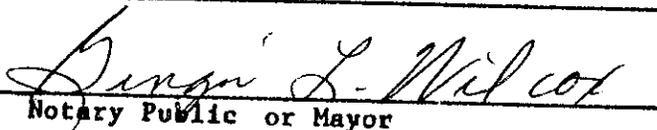
Took Office Effective July 1, 1999.

Term Expires June 30, 2001.

Subscribed and sworn to before me this 5th day of July

19 99

My Commission expires April 1, 2002.


Notary Public or Mayor

CURRENT RATES

AN ORDINANCE TO INCREASE THE MINIMUM CHARGE FOR WATER RATES FOR DOMESTIC AND COMMERCIAL USE OF WATER SUPPLIED BY THE CITY OF PADEN CITY WATER WORKS SYSTEM

(AN AMENDMENT TO ARTICLE 929 OF THE CODIFIED
ORDINANCES OF THE CITY OF PADEN CITY,
WEST VIRGINIA, DATED DECEMBER 11, 1995)

WHEREAS, the Common Council of the City of Paden City is authorized pursuant to West Virginia Code Chapter 24, Article 2, Section 4b, as amended, to change and establish just, reasonable and equitable rates for municipally operated public services; and,

WHEREAS, the Office of Environmental Health Services has determined that for the protection of public health, it is necessary for the City to make capital improvements on the water treatment facility to correct problems associated with corrosive water;

WHEREAS, the Common Council of the City of Paden City, having been advised by the Water Committee, that the rate structure for the furnishing of water service throughout the territory served by the City of Paden City is inequitable and inadequate, and thereupon, the City employed Marc Abraham, Certified Public Accountant, to make a study of the said rate structure in force and to recommend revisions thereto, taking into consideration capital improvements on the facility and the increase in costs of operation and maintenance;

WHEREAS, the Common Council of the City of Paden City, having examined and reviewed the report and findings of Marc Abraham, Certified Public Accountant, has determined and hereby finds that the current revenue generated from water service is insufficient to pay the cost associated with improving, operating and properly maintaining the water treatment facility and network of water lines and equipment throughout the City. Further, the Common Council of the City of Paden City finds that the rate structure, as recommended by Mr. Abraham, is equitable and proper.

NOW, THEREFORE, it is the opinion in the best judgment of the Common Council and said City after much discussion and deliberation that the public health, safety, welfare and well-being of the citizens of the aforesaid town demand a continuance of improvements and maintenances of the essential water service provided to the aforesaid town and in operating and properly maintaining the water treatment facility and the network of water lines and equipment throughout the City for the citizens and inhabitants of said City; and, whereas, the present public revenues of Paden City are not sufficient for the purpose of providing adequate water service and paying the costs of capital improvements and the operation and maintenance of the water treatment facility and the network of water lines and equipment, therefore, it is necessary in order to provide for the continuous operation, maintenance and improvements that are essential for providing water service within Paden City and operating and maintaining the water treatment facility and network of water lines and equipment, to impose upon the users of such service and increase to such rates as are required to pay the costs of

the service and maintenance mentioned herein. The proceeds and revenues received and collected from the rates charged to the users of said service shall be used and expended in the continuance operation, maintenance and improvement of the service of providing and maintaining the water treatment facility and the network of water lines and equipment required therefore within the City of Paden City for the public's health, good and convenience and for no other purpose or purposes.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF PADEN CITY, WEST VIRGINIA, THAT THE FOLLOWING AMENDMENTS BE ADOPTED TO THE ORDINANCE AS SET FORTH HEREINBELOW AND MADE A PART OF THE CODIFIED ORDINANCES OF THE CITY OF PADEN CITY, to-wit:

EFFECTIVE on the 1st day of July, 1999, the customers of the City of Paden City water and sewage service shall pay the following rates:

Article 929.01 be deleted in its entirety, and the following be substituted in place thereof:

WATER SERVICE RATES

- (a) Metered Rates Gallons
- | <u>Used Per Month</u> | <u>Per 1000 Gallons</u> |
|---------------------------------|-------------------------|
| First 5000 above minimum charge | \$2.05 |
| Next 5000 | 1.55 |
| Next 30000 | 1.31 |
| Next 30000 | 1.03 |
| Next 30000 | .77 |
| Next 100000 | .62 |
| All Over 200000 | .55 |
- (b) Minimum Meter Charge
- | <u>Per Inch</u> | <u>Per Month</u> |
|-------------------------------|------------------|
| 1 inch (first 5000 gallons) | 47.62 |
| 2 inch (first 15,000 gallons) | 160.63 |
| 3 inch (first 25,000 gallons) | 304.36 |
- (c) Nonmetered Rates
- | | |
|-------------------|--------------|
| Residential | \$ 24.70 |
| Commercial | 29.25 |
| <i>Industrial</i> | <i>45.59</i> |
- (d) Fire Protection
- | | |
|-----------------------|--------------------|
| Fire Hydrants Rate of | \$6.86 per hydrant |
|-----------------------|--------------------|

Article 929.05 be deleted in its entirety, and the following be substituted in place thereof:

MULTIPLE OCCUPANCY

On apartment buildings, or other multiple occupancy buildings, bills will be rendered based on each family or business unit located therein paying not less than the minimum monthly charge herein established for a one inch meter, the minimum bill for the size of meter installed, or the actual charge for water used, whichever is greater. Motels and hotels shall pay according to the size of meter installed.

Article 929.06 be deleted in its entirety, and the following be substituted in place thereof:

TRAILER COURTS

House trailer courts shall be provided with a master meter. No bill shall be rendered for less than the minimum bill herein established for a one inch meter, multiplied by the number of units situated on the court site at the time the meter is read, the minimum bill for the size meter installed, or the actual charge for water used, whichever is greater. House trailers (as used hereinabove) shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a park or court, shall be billed in the same manner as any other family or business unit.

Article 929.07 be deleted in its entirety, and the following be substituted in place thereof:

MINIMUM MONTHLY BILL

No monthly minimum water bill (metered or nonmetered) shall be rendered for less than Twenty Four and 70/100 (\$24.70) Dollars.

ANY AND ALL ORDINANCES or administrative regulations inconsistent with the provisions hereto are hereby repealed at the time the increased water rates go into effect to the extent necessary to give the provisions of this ordinance full force and effect.

THE MAYOR OF THE CITY OF PADEN CITY is hereby authorized and directed to have prepared and filed with the Public Service Commission of West Virginia a new tariff reflecting water service rates as therein ordained and to perform all other acts required by the statutes and laws of this State and the rules and regulations as promulgated by the Public Service Commission of West Virginia to fully effectuate the provisions of this ordinance, including the publishing of all required and necessary notices, ordinances and other matters required by applicable law.

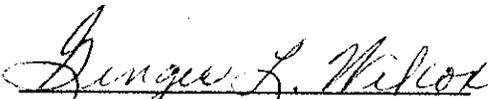
PUBLICATION of this ordinance shall be in accordance with the West Virginia Code.

THE CITY RECORDER is directed upon the final reading and adoption of this ordinance to send a copy thereof to the Public Service Commission along with accounting justification for the rate increase.

Passed and adopted this 3rd day of May, 1999.

ATTEST:

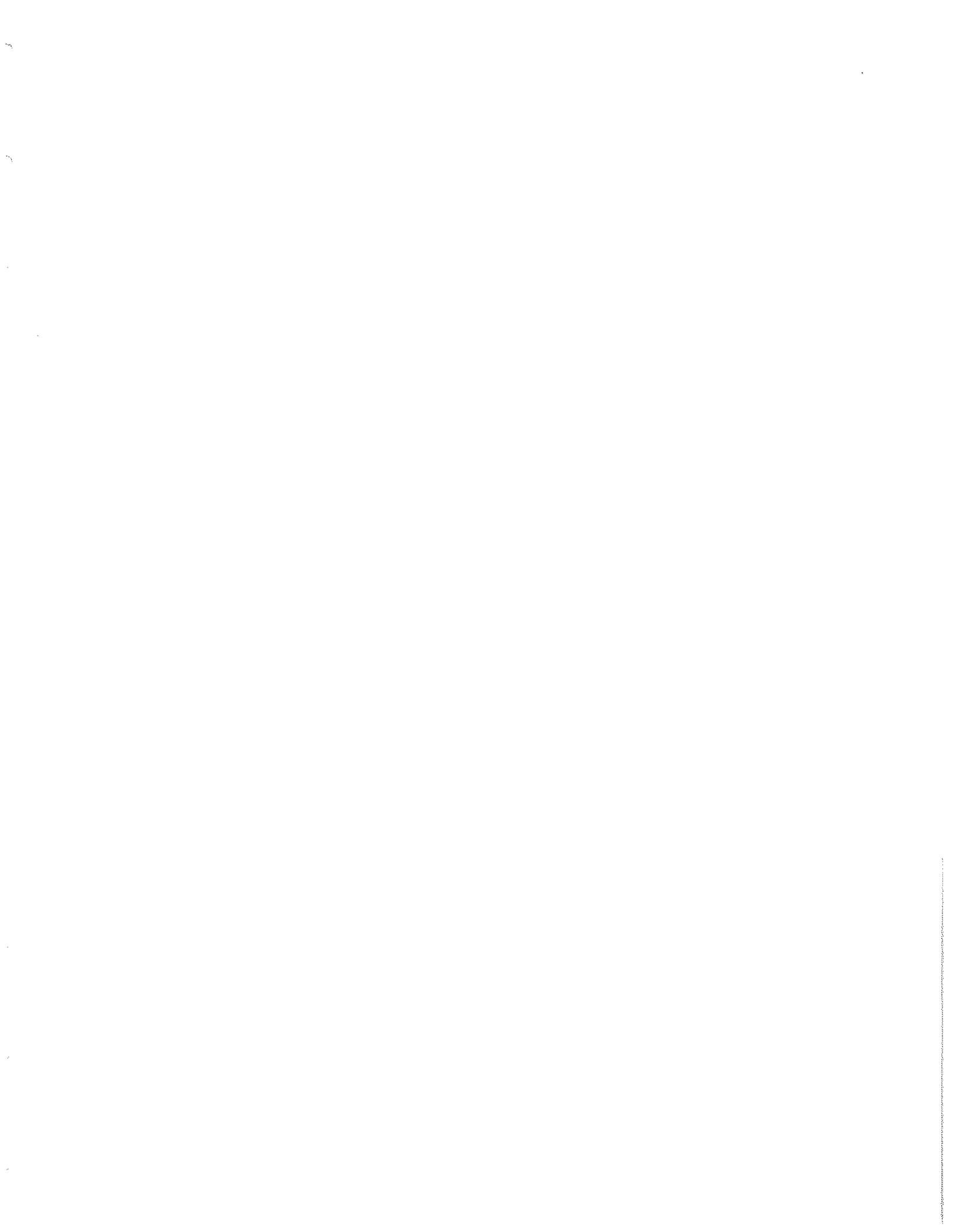
CITY OF PADEN CITY


Its Recorder


Its Mayor

FIRST READING: April 20, 1999

SECOND READING: May 3, 1999

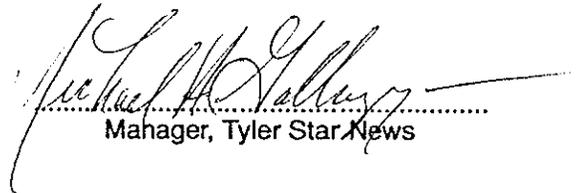


TYLER STAR NEWS

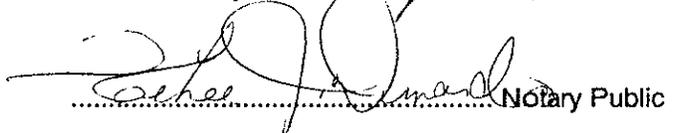
Sistersville, WV May 12, 1999

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public,
Michael A. Galluzzo who, being duly sworn,
states that he is a manager of the Tyler Star News, a weekly
newspaper of general circulation, published at Sistersville,
County of Tyler, State of West Virginia, and that a copy of the
notice attached hereto was published for.....2.....successive
weeks in the Tyler Star News, beginning on the 5.....day
of May....., 1999. and ending on the 12.....day
of May....., 1999.

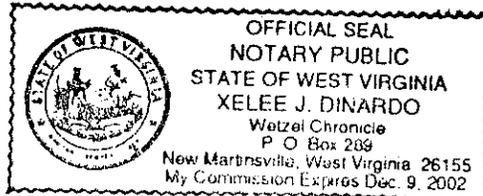

.....
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said
County, on this 12..... day of May....., 1999.


.....
Notary Public

My commission expires on the 9th day of December, 2002.

Printers Fee.....



Tyler Star News 5-5, 12

**PUBLIC NOTICE OF CHANGE IN
WATER RATES BY PADEN CITY**

NOTICE is hereby given that the City of Paden, a utility, has adopted by ordinance on the 3rd day of May, 1999, a tariff containing increased rates, toll and charges for furnishing water service to 1,394 customers in the City of Paden City, Tyler and Wetzel Counties, West Virginia.

The proposed increased rates and charges will become effective the 1st day of July, 1999, unless otherwise ordered by the Public Service Commission and will produce approximately \$167,280.00 annually in additional revenue, an increase of approximately 62%(percent). The average monthly bill for the various classes of customers will be changed as follows:

(a) Metered Rates Gallons Used Per Month	(per 1000 Gallons)	(\$)INCREASE	INCREASE (%)
First 5000 above minimum charge \$2.05			
Next	5000	0%	
Next	30000	1.55	0%
Next	30000	1.31	0%
Next	30000	1.03	0%
Next	30000	.77	0%
All Over	100000 .62		0%
	200000 .55		0%
(b) Minimum Meter Charge			
Per Inch (Per Month)			
1 inch		47.62	26.58%
2 inch		160.63	6.64%
3 inch		304.36	3.40%
(c) Nonmetered Rates			
Residential			
Commercial	\$24.70		68.03%
	29.25		34.19%
(d) Fire Protection			
Fire Hydrants		\$6.86 (per hydrant)	0%
(e) Minimum Monthly Bill			
	\$24.70		68.03%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The commission shall review and approve or modify the increased rates only upon the filing of a Petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

- (1) Any customer aggrieved by the changed rates or charges who presents to the Commission a Petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or,
- (2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a Petition alleging discrimination between customers within and without the municipal boundaries. Said Petition shall be accompanied by evidence of discrimination; or,
- (3) Any customer or group of customers who are effected by said change in rates who reside within the municipal boundaries and who present a Petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said Petition shall be accompanied by evidence of discrimination.

All Petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the Company to provide any information requested concerning it, is available to all customers, prospective customers or their agents at City of Paden City, City Building, 208 Main Street, Post Office 211, Paden City, West Virginia 26159

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the PUBLIC SERVICE COMMISSION at 201 Brooks Street, Post Office 812, Charleston, West Virginia 25323.

WETZEL CHRONICLE

WETZEL CHRONICLE 5-5, 12

PUBLIC NOTICE OF CHANGE IN WATER RATES BY PADEN CITY

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(a) Metered Rates Gallons Used Per Month (per 1000 Gallons)	(\$) INCREASE	INCREASE (%)
First 5000 above minimum charge \$2.05		
Next	0%	
Next 5000	1.55	
Next 30000	1.31	0%
Next 30000	1.03	0%
Next 30000	.77	0%
Next 100000	.62	0%
All Over 200000	.55	0%
(b) Minimum Meter Charge (Per Month)		
1 inch	47.62	26.58%
2 inch	160.63	6.64%
3 inch	304.36	3.40%
(c) Non-metered Rates		
Residential		
Commercial	\$24.70	68.03%
(d) Fire Protection Fire Hydrants	29.25	34.19%
(e) Minimum Monthly Bill	\$6.86 (per hydrant)	0%
	\$24.70	68.03%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The commission shall review and approve or modify the increased rates only upon the filing of a Petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

- (1) Any customer aggrieved by the changed rates or charges who presents to the Commission a Petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or,
- (2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a Petition alleging discrimination between customers within and without the municipal boundaries. Said Petition shall be accompanied by evidence of discrimination; or,
- (3) Any customer or group of customers who are effected by said change in rates who reside within the municipal boundaries and who present a Petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said Petition shall be accompanied by evidence of discrimination.

All Petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

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A copy of the proposed rates is available for public inspection at the Office of the Secretary of the PUBLIC SERVICE COMMISSION at 201 Brooks Street, Post Office 812, Charleston, West Virginia 25323.

IN May 12 1999

a, County of Wetzel:

and before the undersigned, a Notary Public,

A. Galluzzo who, being duly sworn,

manager of the Wetzel Chronicle, a weekly

journal circulation, published at New Martinsville,

State of West Virginia, and that a copy of the

document was published for 2 successive

issues of the Wetzel Chronicle, beginning on the 5th day

of May, 1999, and ending on the 10th day

of May, 1999.

A. Galluzzo
Manager, Wetzel Chronicle

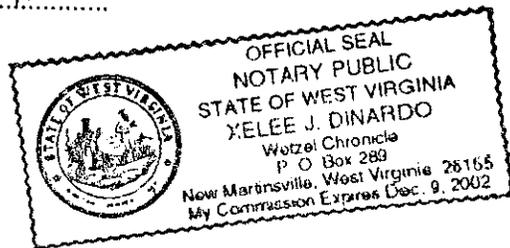
I sworn to before me, a Notary Public of said

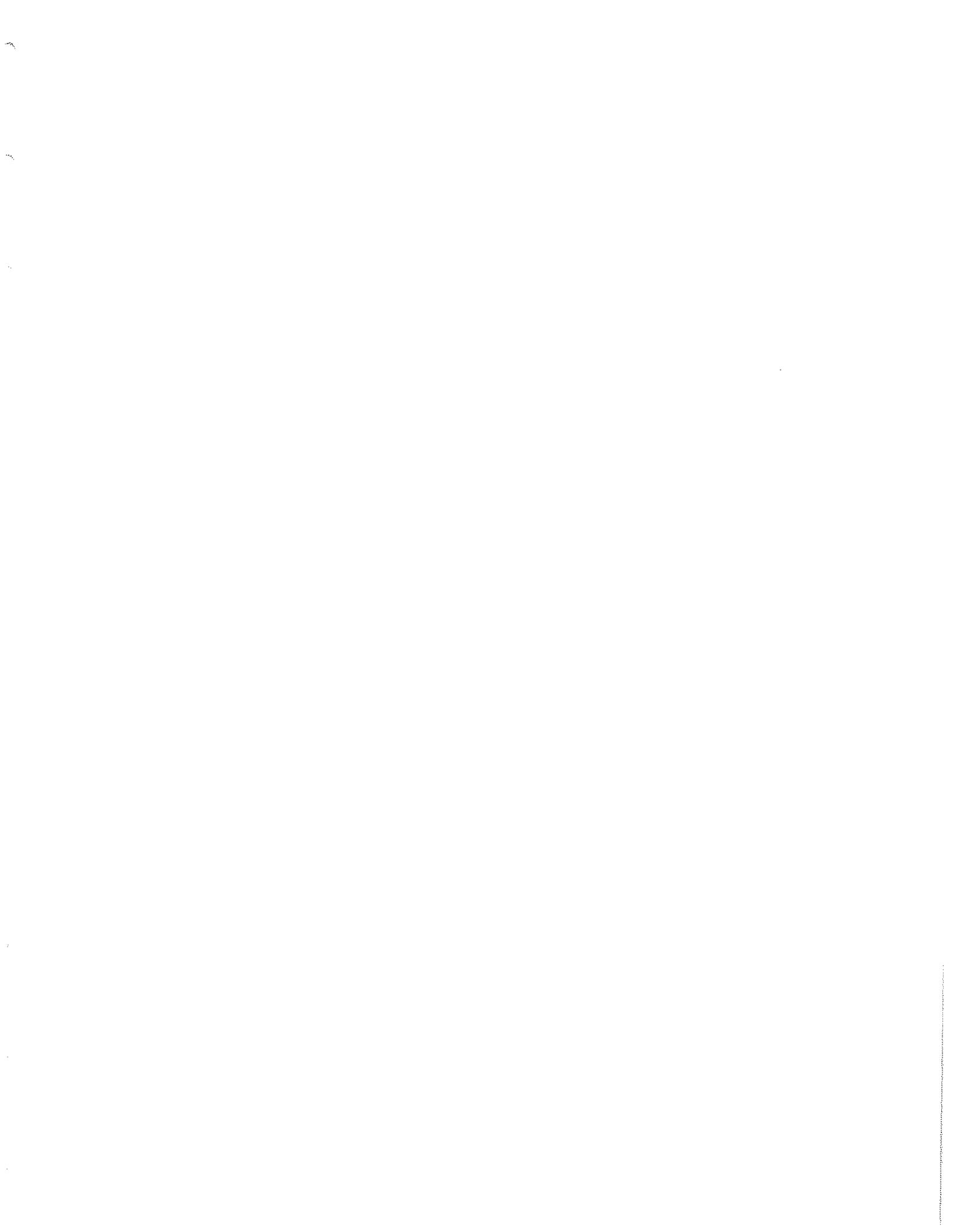
12th day of May, 1999.

[Signature] Notary Public

expires on the 9th day of December, 2002.

179.90





LEVY MEETING
AND
SPECIAL COUNCIL MEETING

April 20, 1999

The Common Council of the City of Paden City reconvened the March 10, 1999 meeting on Tuesday, April 20, 1999 at 9:00 p.m. in the Council Chambers of the Municipal Building with Mayor Anthony A. Sapp presiding.

ROLL CALL: Present were Mayor Anthony A. Sapp, Recorder Ginger Wilcox, and the following members of council: Jon Baker, Mike Efaw, Guy Estep, Jim Richmond, Charlotte Shepherd and John Staggers.

LEVY RATES: Motion by Richmond, second by Staggers to adopt levy rates as approved by the State Tax Department. Motion carried. Levy Rates: per \$100 valuation/Class I 12.5¢, Class II 25¢, and Class IV 50¢.

This meeting went right into the Special Council Meeting at 9:01 p.m.

SPECIAL COUNCIL MEETING

ROLL CALL: Present were Mayor Anthony A. Sapp, Recorder Ginger Wilcox, and the following members of council: Jon Baker, Mike Efaw, Guy Estep, Jim Richmond, Charlotte Shepherd and John Staggers.

AGENDA: First Reading of Ordinance
PUBLIC MEETING (Set Date)

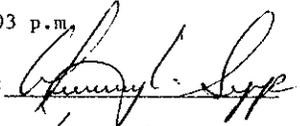
ORDINANCE TO INCREASE WATER RATES:

Motion by Richmond, second Staggers to adopt on first reading an ordinance entitled "AN ORDINANCE TO INCREASE THE MINIMUM CHARGE FOR WATER RATES FOR DOMESTIC AND COMMERCIAL USE OF WATER SUPPLIED BY THE CITY OF PADEN CITY WATER WORKS SYSTEM." Motion carried. ✓

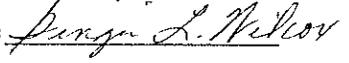
PUBLIC MEETING: Motion by Baker, second Efaw to set the meeting for the PUBLIC on Monday, May 3, 1999 at 6:30 p.m. in the council chambers. Meeting is to answer any questions concerning the City's intent to file an application for Federal Assistance with the Rural Utilities Service and also the possible impacts of the project on the environment. Motion carried.

Motion by Efaw to adjourn. Meeting adjourned at 9:03 p.m.

SIGNED:



ATTEST:



COUNCIL MEETING

MAY 3, 1999

The City of Paden City Common Council met in regular session on Monday, May 3, 1999 at 7:00 p.m. in the council chambers of the municipal building, with Mayor Sapp presiding.

ROLL CALL: Present were Mayor Anthony A. Sapp, Attorney Carolyn Flannery, Superintendent Clifford Duke, Police Chief Donnie Harris, Recorder Ginger Wilcox, and the following members of council: Jon Baker, Guy Estep, Jim Richmond, Charlotte Shepherd and John Staggers, Absent was Mike Efaw.

MINUTES: Motion by Staggers, second Estep to dispense with the reading of the minutes of the previous meeting. Minutes stand approved as presented. Motion carried.

PARK: Mayor Sapp asked Jon Baker to contact Brent Pauley, owner of Flicks, to determine if he would like to sell his tables and ask for the umbrellas that they had from Coca-Col

POPPY DAY: Motion by Staggers, second Richmond, for Mayor Sapp to proclaim May 27th and 28th as Poppy Day in the City of Paden City. Motion carried.

WETZEL COUNTY COMMISSION: Mayor Sapp stated that we received a letter from Wetzel County Commission stating that they no longer bill the City of animal taken to the shelter. They will be very appreciative of a donation that we might like to make. This matter was tabled under a future date to determine where we stand on budget for new fiscal year.

POLL WORKERS: Motion by Richmond, Second Baker to approve the poll workers for the June 3, 1999 election. Motion carried.

CHIEF OF POLICE APPLICATIONS: Mayor Sapp noted that Wednesday, May 5 at 4:00 p.m. is the last day to turn in applications for the position of Chief of Police. We should hire by the 15th of the month. Mayor said the last time had a situation where we had more and more questions and this time the entire council will do the interview. Everyone should be asked the same questions. It was noted that we should interview as soon as possible because the person hired may have to give a 2 week notice. The interview date was set for 8:00 p.m. on May 10th in the council chambers. Interviews will be scheduled every 15 minutes.

911-Mayor Sapp noted that we need to appoint a representative for the 911 planning board. For Wetzel County, John Staggers was appointed and for Tyler County, Mayor Sapp and Jim Richmond were appointed.

PARK TRACTOR: Mayor Sapp stated that the park tractor is down. It may possibly have a blown head. Clifford said the head is not cracked and may possibly be a head gasket. We have received an estimate in the amount of \$1,450 for the replacement of the head if indeed it needs replaced. Mayor asked permission to withdraw this money from the park savings account. Motion by Richmond, second Baker to withdraw \$1,450 to replace and repair the tractor if necessary. Motion carried.

PARK PROPERTY: Mayor Sapp asked permission from Council to contact Don Chambers concerning a piece of property he owns at the north end of the park above highschool field. When we put in the new aeration plant we will need to tear down a building and we will then need additional storage space. Mr. Chambers property has two buildings on it. One is approximately 30 feet x 50 feet and this building can be moved if necessary. Not sure how much Chambers is asking for the property and the Mayor will talk with him about it. Council Baker asked if there was any way we could possibly include this in our total project cost? Mayor Sapp noted that we already had to slip one item to make it look good on paper. We have to show \$200,000 worth of money set aside before we can start the project, and just to be sure, we eliminated the painting of the tanks on the list of long-term projects. We still have applied for a grant for the painting of the tanks and it will probably be August or so before we hear anything on the grant.

SAVINGS: It was noted that we need to determine what we want to do with the money we receive on the rate increase when we start collecting it. Mr. Sanghavi suggested we invest it for a few months but no longer than 6 months. Recorder to check the State Investment Pool to see what their interests rates are and also check with the Bank etc. on CD's .

FINANCE: Motion by Richmond, second Baker to pay the bills. Motion carried.

WATER: Councilman Staggers read by title: " AN ORDINANCE TO INCREASE THE MINIMUM CHARGE FOR WATER RATES FOR DOMESTIC AND COMMERCIAL USE OF WATER SUPPLIED BY THE CITY OF PADEN CITY WATER WORKS SYSTEM." Motion by Richmond, second Estep to adopt this ordinance on second reading. Motion carried. ✓

STREETS: Councilman Estep said that Guy Cutler of 307 Stephen Street wanted a handicap sign put up by his house. Motion by Estep, second Shepherd for this to be done. Motion carried.

Councilman Estep then stated that we had tabled a matter on reducing the speed limit in town. He felt that it was a good time to bring it up again since a child was hit by a car on Second Avenue. Estep still felt that the speed limit need to be 15 mph on all streets except those designated previously.

Mayor Sapp noted that his only input was, if the driver of this vehicle had not been going slow, we would have had a major injury. Councilwoman also noted that there was a vehicle parked on the wrong side of the street at this time also. Charlotte felt that if people were made aware that we were going to enforce the traffic laws and she then went on to ask what the fine would be for parking on the wrong side. Chief Harris noted that Parking Fines were only \$5.00. As far as other fines usually \$70 or so for going through a stop sign. Charlotte felt if we may people aware of what the fines are for non-compliance they may pay more attention. Councilman Stagger felt that it wouldn't make any difference if the speed limit was changed or not.

Councilman Baker noted that we could change the parking fine.

Mayor Sapp said he felt we needed to make a decision on this matter.

Councilwoman Shepherd said she didn't feel like 15 was perfect for every street in town.

Councilman Staggars said he has had people call him and tell him 15 mph was too low. He noted that these were not young people either. One of the streets they really felt 15 would be too low on was Main Street.

After further discuss, it was decided to change the ordinance to 20 mph on all streets except Main Street, Rural Street, Robinson Street, and Fourth Avenue or State Route 2. Attorney Flannery to prepare the Ordinance.

Councilwoman Shepherd noted that there is parking on one side of her street. There is an alley that cuts between First and Second Avenue. This is actually Ann Street. Councilwoman Shepherd would like to have a stop sign put there and treat it like a 4-way stop. Mayor stated that he did not know if people would comply with the stop signs put on Ann Street. In order for stop signs to be installed the ordinance book must be changed. Mayor Sapp suggested that the police department start patrolling this area more heavily and see what occurs.

Councilman Staggars asked if we were going to pave any streets this summer. Mayor Sapp noted that we would be.

TRAFFIC LIGHT: Councilman Baker asked if we had heard anything concerning the renovation of our traffic light. Superintendent Duke noted that we had received a letter stating that the Department of Highways would replace our traffic lights but it would probably at a later date. City Recorder to check on this and determine when the traffic light will be considered for replacement and upgrade.

POLICE: Councilman Estep again noted that we will be hiring a new Chief of Police. Estep said he hates to see Donnie Harris go and Wishes him all the best.

Estep went on to say that we need a motion to hire part-time patrolman Tony Thomas. Motion Shepherd, second Staggars to hire part-time patrolman Tony Thomas. Motion carri

CARS, HEALTH, AND SANITATION: Councilwoman Shepherd said she hopes there will be no on she must send letters to go get their property cleaned up. Mayor Sapp noted that there is a problem we have on the corner of East Adams and Fourth Avenue. This has been an on-going problem and needs taken care of. Cars are being worked on on the street causing a hazard. Mayor Sapp asked that Carolyn look into this matter and take care of the situation. On the matter of junk cars on their property, Chief Harris noted that he has been taking pictures and hope to prove that they actually have a salvage yard there. This matter will be referred to the State for handling.

BUILDING AND GROUNDS: Staggars said he had no report.

FIRE: Councilman Richmond noted that everything has been quiet. The have had some signal 6's and mutual aid calls.

PARK AND POOL: Councilman Baker said that Bryan Bland has called a meeting for Tuesday evening with the newly hired pool employees. Also Blad was to meet with Gatian to determine what we need to get the electric figured out at the campsites. We will be getting the pool ready to open.

A question was then brought up about the Relay for Life sponsored by the American Cancer Society. We will have the park lit up for this all night event. They will not be using the north end of the trail for this event. Also noted was the fact there they may have a couple of tents and trailers at the park for this event, scheduled for June 4 and 5th. Councilwoman asked who to get in touch with concerning this event. Amy Blum was there and stated she could be contacted.

8 1/2"

TYLER STAR NEWS

TOWN OF PADEN CITY NOTICE OF PUBLIC HEARING ON BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of the Town of Paden City (the "Town") to be held on March 19, 2001, at 7:00 p.m., in Council chambers at the Paden City Municipal Building, Paden City, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF PADEN CITY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF A WATER REVENUE BOND, SERIES 2001 A; DEFINING AND PRESCRIBING THE TERMS AND

PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The above-entitled Ordinance was adopted by the Council of the Town on March 5, 2001.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of acquisition and construction of additions, betterments and improvements to the waterworks system of the Town.

The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the Recorder for review by interested parties during regular office hours.

Following said public hearing, the Council intends to enact said Ordinance upon final reading.

Dated: March 1, 2001

Ginger Wilcox
Recorder
SN 3-7,14

Sistersville, WV March 14, 2001

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public,

Michael A. Galluzzo who, being duly sworn, states that he is a manager of the Tyler Star News, a weekly newspaper of general circulation, published at Sistersville, County of Tyler, State of West Virginia, and that a copy of the notice attached hereto was published for 2 successive weeks in the Tyler Star News, beginning on the 7 day of March, 2001, and ending on the 14 day of March, 2001.

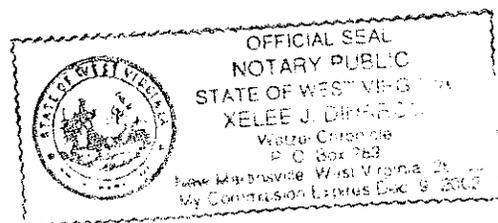
Michael A. Galluzzo
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 14 day of March, 2001.

Xelee J. Oswald Notary Public

My commission expires on the 9th day of December, 2002.

Printers Fee.....



WETZEL CHRONICLE

WETZEL CHRONICLE 3-7, 14
TOWN OF PADEN CITY
NOTICE OF PUBLIC HEARING
ON BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of the Town of Paden City (the "Town") to be held on March 19, 2001, at 7:00 p.m., in Council chambers at the Paden City Municipal Building, Paden City, West Virginia, at such hearing any person interested may appear before council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF PADEN CITY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF A WATER REVENUE BOND, SERIES 2001 A; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND; AND PROVID-

ING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The above-entitled Ordinance was adopted by the Council of the Town on March 5, 2001.

The above-quoted title of the Ordinance describes generally the contents thereof and the purpose of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the cost of acquisition and construction of additions, betterments and improvements to the waterworks system of the Town. The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interests thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the Recorder for review by interested parties during regular office hours.

Following said public hearing, the Council intends to enact said Ordinance upon final reading.

Dated: March 1, 2001.

Ginger Wilcox
Recorder.

New Martinsville, WV M. J. Wilcox 2001

State of West Virginia, County of Wetzel:

Personally appeared before the undersigned, a Notary Public,
Michael A. Galluzzo who, being duly sworn,

states that he is the manager of the Wetzel Chronicle, a weekly newspaper of general circulation, published at New Martinsville, County of Wetzel, State of West Virginia, and that a copy of the notice attached hereto was published for 2 successive weeks in the Wetzel Chronicle, beginning on the 10 day of March, 2001 and ending on the 14 day of March, 2001.

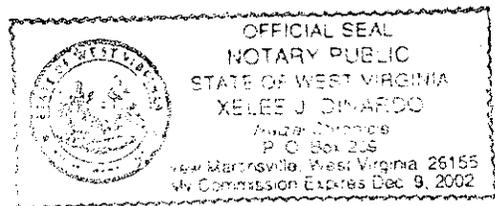
Michael A. Galluzzo
Manager, Wetzel Chronicle

Subscribed and sworn to before me, a Notary Public of said County, on this 14 day of March, 2001.

Xelee J. Dinardo
Notary Public

My commission expires on the 9th day of December, 2002.

Printers Fee 9268



COUNCIL MEETING

MARCH 5, 2001

The Paden City Common Council met in regular session on Monday, March 5, 2001 in the council chambers of the municipal building with Mayor Anthony A. Sapp presiding.

ROLL CALL: Present were: Mayor Anthony A. Sapp, Attorney Carolyn Flannery, Police Chief Scott Dalrymple, Water Superintendent Clifford Duke, Recorder Ginger Wilcox, and the following members of council: Guy Estep, Ramona Kirtley, Jim Richmond, Charlotte Shepherd and John Staggers. Absent was Jon Baker.

MINUTES: Motion by Staggers, second Estep to approve the minutes of the previous meeting. Minutes stand approved as presented. Motion carried.

CITIZENS: None

THANK YOU: Mayor Sapp read a "Thank You" card from the family of Craig Smith for the flowers sent by the Mayor, Council and city employees.

BALLOT COMMISSIONERS: Motion by Staggers, second Estep to approve Virginia Ice and Carol Lopez as ballot commissioners for the election to be held June 7, 2001. Motion carried.

LEGISLATIVE DIGEST: Mayor Sapp mentioned the letter he received from Dave Pethtel regarding the City's request for money from legislative digest. Mayor Sapp noted that the legislative digest has been challenged and monies may not be available.

CHARTER COMMUNICATIONS: Mayor Sapp read a letter from Charter Communications stating that the cable bill will be increasing \$1.80 a month. Mayor Sapp asked the papers to make clear that this increase is not the city's doings.

FINANCE: Motion by Richmond, second Shepherd to pay the bills. Motion carried.

Councilman Richmond said we need to make a budget revision as follows:

Decrease line item 700-10-03	\$1800	Police Salaries
Increase line item 700-40-16	\$1800	Police Radio & Equip.
Decrease line item 750-55-41	\$ 300	Streets Supplies
Increase line item 750-40-26	\$ 300	Streets Insurance

Motion by Shepherd, second Staggers to make this budget revision as stated above. Motion carried.

WATER: Councilman Staggers said there are trees that need to be removed away from the water tanks. We have an estimate for \$1,500 to remove the trees. Motion by Staggers, second Richmond to have Mike's Complete Tree Service remove trees away from the water tanks. Motion carried.

INSPECTORS FOR WATER PROJECT: Councilman Staggers noted that we have received a letter from S & S Engineers recommending Mr. Bill Marks as the inspector for both contracts and Mr. Teel and Mr. Melton to provide inspection to relieve Mr. Marks if work becomes excessive for one inspector. Motion by Staggers, second Richmond to approve Bill Marks as the inspector for both contracts and Mr. Teel and Mr. Melton as relief inspectors. Motion carried.

STREETS: Councilman Estep said we hope to begin paving streets in the next month or two.

POLICE: Councilwoman Shepherd stated that we need to hire a part-time police clerk to work out front when the full-time clerk is on vacation or needs time off for emergencies, etc. Chief Dalrymple has made his recommendation that the council hire Cherita Daugherty as this part-time police clerk. Motion by Estep, second Staggers that Cherita Daugherty be hired as part-time police clerk. Motion carried.

Chief Dalrymple then noted that Brian Hostutler has agreed to work with him on completing a grant, 100% grant, where the city can receive money for police who supervise or oversee juveniles who will be working community service hours. Motion by Staggers, second Shepherd for Chief Dalrymple to apply for the grant. Motion carried.

CARS, HEALTH , SANITATION: No report

BUILDING AND GROUNDS: No report

FIRE: Councilman Richmond noted that the fire department had one in town call and 2 out of town calls.

PARK AND POOL: We have gone out for applications for the pool workers. The next park and pool meeting will be March 12, 2001 at 7:00 p.m. We need to go out for applications for someone to do the mowing in the park, seasonal job.

EDA: Mayor Sapp asked that Loretta Richmond and Barbara Woolery be added as voting members of the EDA. Motion by Staggers, second Shepherd to approve Loretta Richmond and Barbara Woolery as voting members of the EDA. Motion carried.

PADEN CITY FOUNDATION: Councilman Staggers said nothing new.

OLD BUSINESS: Councilman Staggers said there will be a 2 hour training by the phone company for the dispatchers for 911 to be held Tuesday.

Councilman Staggers said the security system has been ordered for the city building.

Mayor Sapp then read by title: "ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF PADEN CITY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF A WATER REVENUE BOND, SERIES 2001 A; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT". Motion by Staggers, Second Richmond to adopt this Ordinance on Second Reading. Motion carried. Ordinance adopted and approved by council March 5, 2001.

RESOLUTION ON PAYMENT OF INVOICES AND APPROVAL FOR MAYOR AND RECORDER TO SIGN CHECKS:

Mayor Sapp read the Resolution giving permission for the Mayor and Recorder to sign the checks to be issued for the payment of invoices on the water project once the invoices are approved for payment by USDA. Motion by Staggers, second Richmond that this resolution be adopted. Motion carried. Resolution signed and adopted by council on March 5, 2001.

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES:

Mayor Sapp then read a Resolution on Open Governmental Proceedings Rules, Chapter 6, Article 9A, Section 3 of the West Virginia Code whereby the council agrees to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of council and date, time and place and purpose of all special meetings of council to the public and news media. Motion by Richmond, second Staggers that this Resolution be signed and adopted. Motion carried. Resolution signed and adopted by council on March 5, 2001.

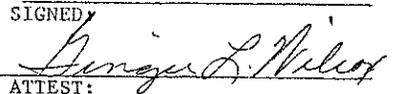
PSC MEMORANDUMS: Attorney Flannery informed council of the most recent recommendations of the Public Service Commission of which the last recommendation cites a 1966 Order and the staff is recommending the City to pursue a project to complete the metering of its system with quarterly progress reports. Attorney Flannery stated that initially we had received a memorandum dated February 14 where the PSC noted the meters were found not financially feasible and the staff recommended to the Law Judge that the Certificate be issued. Now, due to further investigation and staff becoming aware of a Commission order back in August of 1966, the staff has now issued a modified Final Internal Memorandum recommending that we be ordered to pursue a project to complete the metering of the system. Attorney Flannery felt that council needed to make a decision as to how we wanted her to respond to the recommendations because an answer needs to be filed within 7 days. Motion by Staggers to go into executive session to discuss this matter. Council went in to executive session at 7:30 p.m. Second by Shepherd. Motion carried.

Motion by Shepherd, second by Staggers to come out of executive session and resume regular council meeting. Motion carried. Came out of executive session at 8:10 p.m. No further action was taken by council.

Motion by Estep, second Shepherd for meeting to adjourn. Meeting adjourned at 8:10:05 p.m. Motion carried.

SIGNED

ATTEST:



PUBLIC HEARING

MARCH 19, 2001

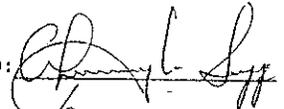
A Public Hearing was held on Monday, March 19, 2001 at 7:00 p.m. in the council chambers regarding the Bond Ordinance.

Present: Present at the public hearing were Mayor Anthony A. Sapp, Recorder Ginger Wilcox, Superintendent of Water Clifford Duke, Jeff Dunham and John Stump of Steptoe and Johnson and the following members of council: Guy Estep, Ramona Kirtley, Jim Richmond and John Staggers. Absent were Jon Baker and Charlotte Shepherd.

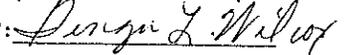
There were no citizens attending this public hearing, therefore the Bond Ordinance entitled: "ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER WORKS FACILITIES OF THE TOWN OF PADEN CITY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF A WATER REVENUE BOND, SERIES 2001 A; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND: PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND: AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT" as adopted on first reading February 22, 2001 and second reading March 5, 2001, is passed and approved by council.

Public hearing was adjourned at 7:25 p.m.

SIGNED:



ATTEST:



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

NEW ISSUE REPORT FORM

Date of Report: April 26, 2001

ISSUE: Town of Paden City, Water Revenue Bonds, Series 2001 A (United States Department of Agriculture)

ADDRESS: P. O. Box 211, Paden City, WV 26159 COUNTY: Tyler & Wetzel

PURPOSE OF ISSUE: New Money: X
 Refunding: _____

ISSUE DATE: April 26, 2001 REFUNDS ISSUE(S) DATED: N/A

ISSUE AMOUNT: \$1,800,000 CLOSING DATE: April 26, 2001

1ST DEBT SERVICE DUE: TBD RATE: 5.125%

1ST DEBT SERVICE AMOUNT: \$ 8.982 1ST PRINCIPAL DUE: TBD

PAYING AGENT: Issuer

<p>BOND COUNSEL: <u>Stephoe & Johnson PLLC</u> Contact Person: <u>Vincent A. Collins, Esquire</u> Phone: <u>(304) 624-8161</u></p> <p>CLOSING BANK: _____ Contact Person: _____ Phone: _____</p> <p>KNOWLEDGEABLE ISSUER CONTACT Contact Person: <u>Anthony Sapp</u> Position: <u>Mayor</u> Phone: <u>(304) 337-8004</u></p>	<p>UNDERWRITERS COUNSEL: _____ Contact Person: _____ Phone: _____</p> <p>ESCROW TRUSTEE: _____ Contact Person: _____ Phone: _____</p> <p>OTHER: <u>United States Department of Agriculture</u> Contact Person: <u>Gary Wilson</u> Function: <u>Rural Development Specialist</u> Phone: <u>(304) 420-6666</u></p>
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DEPOSITS TO MBC AT CLOSE:

By: _____ Wire	_____ Accrued Interest:	\$ _____
_____ Check	_____ Capitalized Interest:	\$ _____
	_____ Reserve Account:	\$ _____
	_____ Other:	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire	_____ To Escrow Trustee:	\$ _____
_____ Check	_____ To Issuer:	\$ _____
_____ IGT	_____ To Cons. Invest. Fund:	\$ _____
	_____ To Other:	\$ _____

NOTES: Monthly debt service payments will be made by the Town directly to the National Finance Office. The Municipal Bond Commission will hold the Series 2001 A Bonds Reserve Account. Payments into the Reserve Account will begin upon completion of construction of the Project financed with the proceeds of the Bonds (approximately one year). USDA-RUS will notify the Commission when the date of payments are to begin is determined.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____

TRANSFERS REQUIRED: _____

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

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

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

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

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

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

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

NEW ISSUE REPORT FORM

Date of Report: April 26, 2001

ISSUE: Town of Paden City, Water Revenue Bond, Series 1982 (United States Department of Agriculture)

ADDRESS: P. O. Box 211, Paden City, WV 26159 COUNTY: Tyler & Wetzel

PURPOSE OF ISSUE: New Money: X
Refunding: _____ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: December 2, 1982 CLOSING DATE: December 2, 1982

ISSUE AMOUNT: \$361,000 RATE: 5 %

1ST DEBT SERVICE DUE: N/A 1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: N/A PAYING AGENT: Issuer

BOND COUNSEL: Stephoe & Johnson PLLC
Contact Person: Vincent A. Collins, Esquire
Phone: (304) 624-8161

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: _____
Contact Person: _____
Phone: _____

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Anthony Sapp
Position: Mayor
Phone: (304) 337-8004

OTHER: United States Department of Agriculture
Contact Person: Gary Wilson
Function: Rural Development Specialist
Phone: (304) 420-6666

DEPOSITS TO MBC AT CLOSE: _____
By: _____ Wire _____
X Check X Reserve Account: \$ 21,276.00
Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire _____ To Escrow Trustee: \$ _____
_____ Check _____ To Issuer \$ _____
_____ IGT _____ To Cons. Invest. Fund \$ _____
_____ To Other: _____ \$ _____

NOTES: Monthly debt service payments will be made by the Town directly to the National Finance Office. The Municipal Bond Commission will hold the Series 1982 Bond Reserve Account.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

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

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

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

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

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

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



United States
Department of
Agriculture

Rural Development

Federal Building, Room 320
75 High Street
Morgantown, WV 26505
Telephone: (304) 284-4888
Fax: (304) 284-4892
TTY/TDD: (304) 284-5941

March 13, 2000

The Honorable Anthony A. Sapp
Mayor, City of Paden City
P.O. Box 211
Paden City, WV 26157

Dear Mayor Sapp:

This letter, with Attachments 1 through 10 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$2,625,000, and other funding in the amount of \$200,000, for a total project cost of \$2,825,000. The other funding is planned in the form of a cash contribution from the City of Paden City.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist for the City of Paden City (All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)

- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
- Attachment No. 6 - Agreement (RUS Bulletin 1780-13) (Engineer Copy)
- Attachment No. 7 - Supplemental General Conditions (RUS Bulletin 1780-14) (Engineer Copy)
- Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant Copy)
- Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement "
- Attachment No. 10 - Various other RD Forms as identified on Attachment No. 2

Your documents concerning the creation of your authority are administratively acceptable; however, they will be further reviewed by our Office of the General Counsel at the time your file is forwarded for closing instructions. Any changes required by our Office of the General Counsel will be included in the closing instructions.

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 5.75% interest rate and a monthly amortization factor of 0.00541, which provides for a monthly payment of \$14,202.00. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account and a depreciation reserve account, which together equal 10% of the annual debt service each year for the life of the loan. Five percent (5%) will be deposited into both accounts until an annual debt payment has been accumulated. Thereafter, the entire 10% will be deposited into the depreciation reserve account.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of equal priority with the City's Series 1982 Water Revenue Bonds, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your

organization. Additional security requirements are contained in RUS Bulletin 1780-27 which is mentioned later.

3. Users - This conditional commitment is based upon you providing evidence that there will be at least 1,275 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the City's existing water system which is to be partially replaced by the new system, at the time you request authorization to advertise the project for construction bids.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and currently using the system.

4. Bond Counsel - The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. Form RD 1942-19, "Agreement for Engineering Services," or EJCDC No. 1910-1, "Standard Form of Agreement between Owner and Engineer for Professional Services" may be used to obtain the services of an engineer. For your convenience, a copy of Form RD 1942-19 is attached hereto. The EJCDC document is issued under copyright and cannot be provided by RUS.
6. Legal Services - You must obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, "Legal Services Agreement" is enclosed for your use.
7. Accounting Services - You must obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
 - a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
 - b. Prior to the advertisement of bids, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on the City. The attached booklets, "Government Auditing Standards (Revised 1994)" (Attachment No. 8) and RUS Bulletin 1780-30 (Attachment No. 9) outline audit requirements. You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$300,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit is not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
 - a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the City already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.
 - c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as

properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions.

- e. On the day of loan closing, the City's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the City has already acquired real property(s) (land or facilities), the City's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
 - West Virginia Department of Highways
 - Railroads
 - State Department of Health
 - Department of Environmental Protection
 - Public Land Corporation
 10. Public Service Commission Approvals - You must obtain the following from the Public Service Commission of West Virginia:
 - a. A Certificate of Convenience and Necessity.
 - b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
 - c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.
 11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:
 - a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.

- b. Workers' Compensation - In accordance with appropriate State laws.
 - c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The minimum coverage acceptable to RUS will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).
 - d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
 - (1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
 - (2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.
 - e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.
12. Contract Documents, Final Plans and Specifications -
- a. The contract documents should consist of the following:
 - (1) "Agreement" (RUS Bulletin 1780-13) and Attachments 1 through 9, or other agreement approved by RUS. One copy of this item is attached hereto (Attachment No. 6).
 - (2) "Supplemental General Conditions" (RUS Bulletin 1780-14). One copy of this item is attached hereto (Attachment No. 7). Additional copies must be reproduced by the engineer.

- b. The contract documents must provide, as a minimum, the following insurance:
- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the PSD and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.
 - (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
 - (3) Workers' Compensation - In accordance with applicable State laws.
- c. The contract documents and final plans and specifications must be submitted to RUS for approval.
- d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.
13. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review.
14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of the City, over 30 day periods. Any funds not disbursed immediately upon receipt must be deposited in an interest bearing account in accordance with OMB Circular A-133. Interest earned on these funds must be remitted promptly, at least quarterly, to the Rural Utilities Service. The City must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.
15. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:
- Form RD 442-7 - "Operating Budget"
 - Form RD 1940-1 - "Request for Obligation of Funds"
 - RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"
 - Form RD 400-1 - "Equal Opportunity Agreement"
 - Form RD 400-4 - "Assurance Agreement"
 - Form AD 1047 - "Certification Regarding Debarment - Primary"

Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and
Loans"

16. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan docket. All the items listed must be included in the loan docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.
17. Upon receipt of the loan docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed.

When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS loan funds and refunded to RUS.

In accordance with the intent of Congress as expressed in the FY 1997 Appropriations Act, recipients of water and waste assistance provided by the Rural Utilities Service are encouraged, in expending the assistance, to purchase only American-made equipment and products.

Please complete and return the enclosed Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire further consideration be given your application.

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,



BOBBY LEWIS
State Director

Enclosures

cc: Administrator, RUS
ATTN: Water and
Environmental Programs
Washington, DC

Rural Development Specialist
Parkersburg, WV

Accountant

Attorney

Bond Counsel ✓

S & S Engineers, Inc.
501 Eagle Mountain Road
Charleston, WV 25311

Project Construction Budget

<u>Project Cost</u>	<u>Local Funds</u>	<u>RUS Loan</u>	<u>Total</u>
Construction		\$2,080,000	\$2,080,000
Construction Contg.		208,000	208,000
Land and Rights		20,000	20,000
Legal Fees		22,880	22,880
Engineering Fees	\$200,000	78,090	278,090
Basic \$158,090			
Inspection \$105,000			
Special \$15,000			
Bond Counsel		15,000	15,000
Interest		150,000	150,000
Project Contg.		51,030	51,030
Total	\$200,000	\$2,625,000	\$2,825,000

Rates - Available for general domestic, commercial and industrial service.

(A)	<u>Metered Rates Gallons</u>	<u>Per 1,000 Gallons</u>
	<u>Used Per Month</u>	
	First 5,000 above minimum charge	2.18
	Next 5,000	1.65
	Next 30,000	1.40
	Next 30,000	1.09
	Next 30,000	0.82
	Next 100,000	0.67
	All Over 200,000	0.58

Rates

(B)	<u>Minimum Meter Charge</u>	
	<u>Per Inch</u>	<u>Per Month</u>
	1 inch (first 5,000 gallons)	50.64
	2 inch (first 15,000 gallons)	170.81
	3 inch (first 25,000 gallons)	323.66

(C)	<u>Nonmetered Rates</u>	
	Residential	26.27
	Commercial	31.11

(D)	<u>Fire Protection</u>	
	Fire Hydrants Rate of	\$6.86 per hydrant

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

After the start of construction, there shall be a charge of \$200.00 for connection to the system.

Reconnection Charge

\$25.00

Use and Income Analysis

1220	users @	Flat Rate Residential	@	\$26.27	per user =	\$32,049.40	month
46	users @	Flat Rate Commercial	@	\$31.11	per user =	\$1,431.06	month

1" metered

1	users @	3,200	gallons @	\$50.64	per user =	\$50.64	month
1	users @	8,300	gallons @	\$57.84	per user =	\$57.84	month
1	users @	14,000	gallons @	\$68.14	per user =	\$68.14	month
1	users @	29,650	gallons @	\$90.30	per user =	\$90.30	month
1	users @	43,000	gallons @	\$108.99	per user =	\$108.99	month
1	users @	56,600	gallons @	\$124.43	per user =	\$124.43	month

2" metered

1	users @	111,000	gallons @	\$285.98	per user =	\$285.98	month
1	users @	147,600	gallons @	\$311.11	per user =	\$311.11	month
1	users @	241,000	gallons @	\$371.34	per user =	\$371.34	month

1275 Total Users

\$34,949.23 Monthly Revenue x 12 = \$419,391 Annual Revenue

Budget

Income		\$419,391
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Expenses

O & M	\$210,500	
*Debt Service	191,700	
**Debt Service Reserve	8,520	
***Depreciation Reserve	8,520	
	<hr/>	\$419,240

Balance and Depreciation		<hr/> \$ 151
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Operating and Maintenance Expenses

Pumping	\$ 52,000
Treatment	28,000
Transmission and Distribution	60,000
Administration and General	70,500
TOTAL	<hr/> \$210,500

*Existing Debt Service -	\$ 21,276
Proposed Debt Service -	170,424
Total Debt Service -	<hr/> \$191,700

** Existing Debt Service Reserve	Fully Funded
Proposed Debt Service Reserve	\$ 8,520
Total Debt Service Reserve	<hr/> \$ 8,520

*** Existing Depreciation Reserve	N/A
Proposed Depreciation Reserve	\$ 8,520
Total Depreciation Reserve	<hr/> \$ 8,520

Attachment No. 2 to Letter of Conditions
 For: City of Paden City
 Date: March 13, 2000

UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL UTILITIES SERVICE
 Water and Waste Processing Checklist

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
SF 424.2	Application for Federal Assistance	3	1780.31(b)	App.		Have	3
	Public Notice of Intent to File App. / Environ. Notice	1	1780.19(a) 1940-G	App.		Have	3
	Regional Planning & Development Council Review	2	1780.33(b)	App.		Have	3
	State Clearing-house Review or IJDC Review	2	1780.33(b)	App.		Have	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Eng.		Have	6
	Bond Ordn. or Resol. on Outstanding Debts	1	1780.33(e)	App./Atty.		Have	2
	Bonds or Notes Outstanding Debts	1	1780.33(e)	App./Atty.		Have	2

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
	Audit for last year of operation	1	1780.33(e)	App./Acct.			1
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	App.			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	App.			5
RD 1940-20	Request for Env. Info/ Attachments	2	1780.33(f)	App./Eng.			3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	App.			3
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	App.			2
	Env. Assessment for Class II Actions (Exhibit H, 1940-G)	2	1940-G	RUS/Eng.		Have	3
	Site Visit		S.I. 1780-2	RUS		Have	3
	Statement from Historical Preservation Office	2	Exhibit H 1940-G	App.		Have	3

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
	Comments from Dept. of Commerce, Labor & Environ. Resources (DEP)	2	Exhibit H 1940-G	App.		Have	3
	Comments from U.S. Fish and Wildlife Service (Endangered Species)	2	Exhibit H 1940-G	App.		Have	3
	Farmland Conversion Impact Rating	1	Exhibit H 1940-G	RUS/ NRCS		Have	3
	FEMA Standard Flood Hazard Determination	2	1940-G	RUS/Eng.		Have	3
	Civil Rights Impact Analysis Certification	2	1940-G	RUS/Eng.		Have	3
	FONSI / Evidence of Publication	1	Exhibit 1 RD 1940-G News Ad	RUS/App.		Have	3
	Copy of Existing Rate Tariff	2	1780.33	App.		Have	8
	Applicant's IRS Tax Number (TIN)	1	1780.33(g)	App.		Have	3
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3
	Staff Engineer PER Review	1	1780.33(c)	RUS			6
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
	Bill Analysis for existing system(s)	2	1780.33(c)	App./Eng.		Have	8
	Statement reporting the <u>total number of potential users</u>		1780.33(c)	App./Eng.		Have	8
RD 1942-19 or other approved	Agreement between Owner & Engineer	3	1780.39(b)	App./Eng.		Have	6
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	App./Atty.			5
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	App./ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	App./Acct.			5
	Documentation on Service Area	1	1780.11	RUS		Have	3
	Relationships/ Associations with Agency Employees	1	1780.1(f)				3
RD 1942-45	Project Summary	3	1780.41(a)	RUS		Have	1
RD 442-7	Operating Budget	3	1780.33(h)	App.			3
RD 1942-14	Project Fund Analysis	3	1780.41(a)	RUS		Have	2

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS		Have	3
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	App.			3
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/App.			2
	Evidence of Applicant Contribution	1	1780.44(f)	App.			2
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	App.			5
AD 1048	Certification Regarding Debarment (Contractor)	1 ea.	1780.33(h)	All Appropriate Vendors			5
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	App.			3
	Evidence of Users:						
	1. Certification Relative to Existing Users	1	LOC	App.			5

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
	Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	App.			5
	Verification of Users	1	1780.44(b)	RUS			3
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Eng.			Sep. File
	Deeds and/or Options		1780.44(g)	App./Atty.			
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	App./Atty.			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	App./Atty.			5
	Narrative Opinion from Attorney	1	1780.44(g)	Atty.			5
	Waiver of Title Defects Letter	1	1780.44 (g)(2)(ii)	RUS			
	Exception for Metering Devices	1	1780.57(m)	App./RUS			
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Atty.			5

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	App.			5
	Copy of PSC Rule 42 Exhibit	1	State	Atty./Acct.			3
Lender Agrmnt/ Bulletin 1780-10/ 1780-10a	Interim Financing Documentation	1	1780.39(d)	App./RUS			1
RD 400-1	Equal Opportunity Agreement	1	1901-E	App.			6
RD 400-4	Assurance Agreement	1	1901-E	App.			3
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Sep. File
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
	DOH Permit	1	1780.15(d)	App.			6
	Railroad Permits	1	1780.15(d)	App.			6
	Public Land Corp. Permit	1	1780.15(d)	App.			6
	Corps of Engineers Permit	1	1780.15(d)	App.			6
	Contract Documents, Plans and Specifications	2		Eng.			Sep. File

<u>Form No.</u>	<u>Document or Action</u>	<u>No. Needed</u>	<u>Proced. Ref.</u>	<u>Provided by</u>	<u>Target Date</u>	<u>Date Rec'd</u>	<u>File Pos.</u>
	Dept. of Health Approval	1	1780.15(d)	Eng.			6
	Dept. of Environmental Protection Permit	1		Eng.			6
400-8	Comp. Review	1	1901-H 1901.204	RUS			5
1924-16	Record of PreConstruction Conference	1	1780.76(a)	RUS/Eng.			6
	Bid Tabulation	1	1780.61(b)	Eng.			6
	Resume' of Inspector	1	1780.76(c)	Eng.			6
	Liability Insurance		1780.39(g)	App.			7
	Workers' Compensation Certificate	1	1780.39(g)	App.			7
	Flood Insurance Policy	1	1780.39(g)	App.			7
440-24	Fidelity Bond	1	1780.39(g)	App.			7
	OGC Final Opinion	1	1780.45(g)	RUS			5



United States
Department of
Agriculture

Rural Development

Federal Building, Room 320
75 High Street
Morgantown, WV 26505-7500
Telephone: (304) 284-4888
Fax: (304) 284-4892
TTY/TDD: (304) 284-4836

March 13, 2001

The Honorable Anthony A. Sapp
Mayor, City of Paden City
P.O. Box 211
Paden City, WV 26159

RE: Amendment No. 1 to
Letter of Conditions

Dear Mayor Sapp:

This letter, with Attachment No. 1 amends the letter of conditions dated March 13, 2000 and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an initial RUS loan in the amount of \$1,800,000, and local funding in the amount of \$200,000, for a total project cost of \$2,000,000.

Subject to the requirements noted herein, all of the conditions of the March 13, 2000 letter of conditions remain in effect and must be satisfied prior to loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted.

Enclosed are the following:

Attachment No. 1 - Project Construction Budget (All Copies)

The conditions referred to above are as follows:

1. The project construction budget has been amended to reflect the new funding changes (Attachment No. 1).

2. Bond Counsel – Your bond counsel should be notified immediately of the reduced funding and requested to prepare the form of ordinance to be used. The bond counsel should proceed in accordance with RUS Instruction 1780, Subpart D.
3. Public Service Commission Approval - You must obtain PSC approval of the project's proposed financing and user rates as may result from this amendment to the letter of conditions.
4. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

RUS Bulletin 1780-27

Form RD 442-7

Form RD 1942-46

“Loan Resolution”

“Initial Operating Budget”

“Letter of Intent to Meet Conditions”

Please complete and return the enclosed Form RD 1942-46, “Letter of Intent to Meet Conditions,” if you desire further consideration be given your application.

If the conditions set forth in this letter are not met within six months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the City still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If, during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely,

Dianne Goff Chrysler
 DIANNE GOFF CRYSLER
 Acting State Director

Enclosures

cc: RUS Rural Development Specialist
 Parkersburg, WV

Carolyn G. Flannery, Esquire
 Snyder & Hassig
 New Martinsville, WV

S & S Engineers, Inc.
 Charleston, WV

John C. Stump, Esquire ✓
 Steptoe and Johnson
 Charleston, WV

E. Marc Abraham, CPA
 Dobbs, Abraham and Company
 Moundsville, WV

Project Construction Budget

<u>Project Costs</u>	<u>Local Funds</u>	<u>RUS Loan</u>	<u>Total</u>
Construction		\$1,415,700	\$1,415,700
Construction Contg.		\$ 141,570	\$ 141,570
Land and Rights		\$ 5,000	\$ 5,000
Legal Fees		\$ 22,880	\$ 22,880
Engineering Fees	\$200,000	\$ 78,090	\$ 278,090
Basic \$158,090			
Insp. \$105,000			
Spec. \$ 15,000			
Bond Counsel		\$ 15,000	\$ 15,000
Interest		\$ 105,000	\$ 105,000
Project Contg.		\$ 16,760	\$ 16,760
TOTALS	\$200,000	\$1,800,000	\$2,000,000

Rates - Available for general domestic, commercial and industrial service.

(A) Metered Rates Gallons
Used Per Month

Per 1,000 Gallons

First 5,000 above minimum charge	\$2.05
Next 5,000	\$1.55
Next 30,000	\$1.31
Next 30,000	\$1.03
Next 30,000	\$0.77
Next 100,000	\$0.62
All Over 200,000	\$0.55

(B) Minimum Meter Charge
Per Inch

Per Month

1 inch (first 5,000 gallons)	\$ 47.62
2 inch (first 15,000 gallons)	\$160.63
3 inch (first 25,000 gallons)	\$304.36

(C) Nonmetered Rates

Residential	\$24.70
Commercial	\$29.25

(D) Fire Protection

Fire Hydrants Rate of \$6.86 per hydrant

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

After the start of construction, there shall be a charge of \$200.00 for connection to the system.

Reconnection Charge

\$25.00

Use and Income Analysis

1220 users @ flat rate residential @ \$24.70 per user = \$30,134.00 monthly
 46 users @ flat rate commercial @ \$29.25 per user = \$ 1,345.50 monthly

1" Metered Users

1 user @ 3,200 gallons @ \$ 47.62 per user = \$ 47.62 monthly
 1 user @ 8,300 gallons @ \$ 54.39 per user = \$ 54.39 monthly
 1 user @ 14,000 gallons @ \$ 64.07 per user = \$ 64.07 monthly
 1 user @ 29,650 gallons @ \$ 84.82 per user = \$ 84.82 monthly
 1 user @ 43,000 gallons @ \$102.30 per user = \$102.30 monthly
 1 user @ 56,600 gallons @ \$116.87 per user = \$116.87 monthly

2" Metered Users

1 user @ 111,000 gallons @ \$268.85 per user = \$268.85 monthly
 1 user @ 147,600 gallons @ \$292.15 per user = \$292.15 monthly
 1 user @ 241,000 gallons @ \$348.23 per user = \$348.23 monthly

1274 Total Users

\$32,858.80 Monthly Revenue x 12 = \$394,306 Annual Revenue

Budget

Income		\$394,306
Expenses		
O & M	\$210,500	
*Debt Service	134,460	
**Debt Service Reserve	5,660	
***Depreciation Reserve	<u>5,660</u>	
		<u>\$356,280</u>
Balance and Depreciation		\$ 38,026

Operating and Maintenance Expenses

Pumping	\$ 52,000
Treatment	\$ 28,000
Transmission & Distribution	\$ 60,000
Administration & General	<u>\$ 70,500</u>
TOTAL	\$210,500
*Existing Debt Service -	\$ 21,276
Proposed Debt Service -	<u>113,184</u>
Total Debt Service -	\$134,460
** Existing Debt Service Reserve	Fully Funded
Proposed Debt Service Reserve	<u>\$5,660</u>
Total Debt Service Reserve	\$5,660
*** Existing Depreciation Reserve	N/A
Proposed Depreciation Reserve	<u>\$5,660</u>
Total Depreciation Reserve	\$5,660



RURAL
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SERVICE

P.O. Box 303
Parkersburg, WV 26102
Telephone 304-420-6666
TTY/TDD 1-800-982-8771
Fax 304-420-6876

United States
Department of
Agriculture

Rural Development

February 13, 2001

Honorable Anthony A. Sapp
Mayor, City of Paden City
P.O. Box 211
Paden City, WV 26159

Dear Mayor Sapp:

The pre-closing for the City's RUS loan will be held on March 26, 2001, at 11:00 AM in the City Building, 208 West Main Street, Paden City, West Virginia. The preconstruction conference will follow at 1:00 PM. The official loan closing date for the City's Water System Improvements Project will be March 28, 2001.

Reference is made to our Letter of Conditions dated March 13, 2000. All of the requirements of this letter must be met and in addition, the loan must be closed in accordance with RUS Instruction 1780 and the attached "Closing Guidelines for Community Facilities Loans to Public Bodies."

Many of the aforementioned items have already been addressed. Those remaining items to be satisfied prior to loan closing include:

1. The City's attorney will need to provide Form RD 442-22 "Opinion of Counsel Relative to Rights of Way," showing no exceptions. This form should be dated March 28, 2001.
2. The City's attorney must furnish a Form RD 1927-10 "Final Title Opinion," on all land(s) being acquired. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the City. The opinion(s) should be dated March 28, 2001.
3. The City's engineer must provide a resume of the proposed inspector(s).
4. The City must provide a letter accepting the proposed inspector(s).
5. The permit from the West Virginia Department of Highways must be on hand at the closing. The City should proceed to obtain the necessary bond and forward same to the WVDOH requesting the permit be issued.

**CLOSING GUIDELINES FOR
COMMUNITY FACILITY LOANS TO PUBLIC BODIES**

At or before the closing for the financing, the following conditions must be satisfied:

1. **General Requirements.** There must be full compliance with all requirements specified in (a) applicable Farmers Home Administration Instructions, (b) correspondence from OGC, (c) any applicable correspondence from the Administrator's office, (d) FmHA letter of conditions, (e) clearinghouse comments, and (f) any state office memorandum of approval.
2. **Loan Resolution.** Confirm that the Applicant has duly adopted the fully executed Form FmHA 1942-47, Loan Resolution (Public Bodies).
3. **Grant Agreement.** In the event that a grant is also to be made to the Applicant, then the grant may be closed in accordance with FmHA Instructions provided that these Closing Instructions have also been complied with and duly authorized officials of the Applicant have fully executed Form FmHA 1942-31, Grant Agreement.
4. **Civil Rights.** Confirm that the following fully executed civil rights forms are in the docket:
 - a. Form RD 400-1, Equal Opportunity Agreement.
 - b. Form RD 400-4, Assurance Agreement.
 - c. Form FmHA 400-8, Compliance Review (Pre-loan closing).
5. **Environmental Impact.** Confirm that a completed and executed Environmental Impact Assessment, is in the docket. If the Assessment indicates that an Environmental Impact Statement must be filed, this must be accomplished prior to loan closing.
6. **Clearinghouse Comments.** Confirm that A-95 approvals have been received from both state and regional clearinghouses. Note any comments received and confirm that the Applicant intends to comply with such comments. If the Applicant expresses a contrary intention, the State Office should be notified immediately in detail. The State Office should consult OGC with respect to the legal ramification of any such noncompliance.
7. **Specimen Bond(s).** Prior to closing, confirm that the terms of the specimen bond(s) are consistent with FmHA Instructions, the FmHA Letter of Conditions and other obligating documents. Amortization schedules and maturity dates should be checked very carefully.
8. **Certification of Payment.** If FmHA loan proceeds will be used to retire interim indebtedness, the Applicant must provide FmHA with written statements in accordance with FmHA Instruction 1942-A, 1942.17(n)(2) [7 C.F.R. 1942.17].

9. Examination of Executed Bond(s). The Rural Development Specialist should examine the executed original Bond(s) at the closing to determine the following:

- a. That the repayment and other terms of the Bond(s) are consistent with the FmHA Letter of Conditions and obligating documents.
- b. That the Bond(s) has been fully executed by the proper officials of the Applicant as recited on the face of the Bond(s).
- c. That the persons executing the Bond(s) are officials of the Applicant as shown on the General Incumbency Certificate.
- d. That the Applicant's seal is on the Bond(s).
- e. That any authentication certificate contained on the Bond(s) has been properly executed.
- f. That the Bond(s) is fully registered in the name of the United States of America/Farmers Home Administration.
- g. That the place of payment shown on the face of the Bond is correct and administratively acceptable.
- h. That the Bond(s) is dated the date of closing.

10. Dates, Seals and Signatures. All certifications and opinions furnished by the Applicant, Local Counsel or Bond Counsel should be dated as of the date of Loan Closing. Wherever appropriate, the seal of the Applicant should be impressed on materials being furnished by the Applicant. Bond transcript items "b," "i," "k," and "m" listed below should be manually-executed originals. For the remaining Bond transcript documents, an original manual attestation by the Applicant's Clerk or Secretary will suffice.

11. Bond Transcript. A bond transcript should be compiled by Bond Counsel in accordance with the requirements contained in FmHA Instructions 1942-A, 1942.19(c) [7 C.F.R. 1942.19]. Confirm that the bond transcript contains each of the following items:

- a. Certified copies of all organizational documents, i.e., special acts, charter, by-laws.
- b. General Incumbency Certificate (may sometimes be referred to as Signature Certificate).
- c. Certified copies of minutes or excerpts therefrom of all meetings of the Applicant's governing body at which action was taken in connection with the authorization and issuance of the Bond(s).
- d. Certified copies of documents evidencing that the Applicant has complied fully with all statutory requirements incident to the calling and holding of a favorable bond election unless Bond Counsel advises you this is not applicable.

- e. Certified documents evidencing that the Applicant has complied fully with all statutory requirements incident to advertising the consideration and/or adoption of the bond ordinance unless Bond Counsel advises you that this is not applicable.
- f. Certified copies of the resolutions or ordinances or other documents, such as the bond authorizing resolution or ordinance and any resolution establishing rates and regulating the use of the improvements, if such documents are not included in the minutes furnished.
- g. Copies of official Notice of Sale and Affidavit of Publication of Notice of Sale unless Bond Counsel advises you that this is not applicable.
- h. Specimen Bond (of each denomination), with any attached coupons.
- i. No Litigation Certificate of Local Counsel (See Item 12 below).
- j. Certified copies of resolutions or other documents pertaining to the award of the Bond(s).
- k. Non-Arbitrage Certificate.
- l. Any additional or supporting documents required by Bond Counsel.
- m. Preliminary approving opinion, if any, and final unqualified approving opinion of Bond Counsel, including opinion regarding interest on bonds being exempt from Federal and any State income taxes.

Any omissions from the Bond transcript should be supplied by the Rural Development Specialist with the assistance of the Applicant and Bond Counsel. Obviously, certain of the documents listed above will normally be delivered prior to the closing.

- 12. Attorney's No-Litigation Certificate. Local Counsel should deliver a manually-executed original attorney's no-litigation certificate dated the date of closing.
- 13. Evidence of Title. In all cases, confirm that Local Counsel has supplied FmHA with his or her title opinion regarding the sites for any project structures such as treatment plants and community buildings. The opinion should be on Form FmHA 1927-10 with any changes necessary to reflect the circumstances of this financing. In the case of utility-type financings, confirm that executed Form FmHA 442-21 and 442-22 concerning rights-of-way are also in the docket. Any title exceptions should either be removed prior to closing or be specifically cleared through OGC.
- 14. Additional Instructions. OGC will normally issue additional closing instructions on a case-by-case basis containing special requirements for specific loans. The District Director should review the Closing Instructions prepared by OGC relating to the specific case and close the loan in accordance with those instructions.



RURAL
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P.O. Box 303
Parkersburg, WV 26102
Telephone 304-420-6666
TTY/TDD 304-284-4836
Fax 304-420-6876

United States
Department of
Agriculture

Rural Development

April 10, 2001

Honorable Anthony A. Sapp
Mayor, City of Paden City
P.O. Box 211
Paden City, WV 26159

Dear Mayor Sapp:

The pre-closing for the City's RUS loan will be held on April 24, 2001, at 11:30 AM in the City Building, 208 West Main Street, Paden City, West Virginia. The preconstruction conference will follow at 1:00 PM. The official loan closing date for the City's Water System Improvements Project will be April 26, 2001.

Reference is made to our Letter of Conditions dated March 13, 2000. All of the requirements of this letter must be met and in addition, the loan must be closed in accordance with RUS Instruction 1780 and "Closing Guidelines for Community Facilities Loans to Public Bodies."

Many of the aforementioned items have already been addressed. Those remaining items to be satisfied prior to loan closing include:

1. The City's attorney will need to provide Form RD 442-22 "Opinion of Counsel Relative to Rights of Way," showing no exceptions. This form should be dated April 26, 2001.
2. The City's attorney must furnish a Form RD 1927-10 "Final Title Opinion," on all land(s) being acquired. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the City. The opinion(s) should be dated April 26, 2001.
3. The RUS loan of \$1,800,000 will be closed utilizing an interest rate of 5.125%. This results in payments of \$8,982/month. The City must establish and fund monthly a debt service reserve account and a depreciation reserve account. These reserve accounts together must equal 10% of the annual debt service each year for the life of the loan. Five percent (5%) will be deposited into each account until an annual debt payment has been accumulated. Thereafter, the entire ten percent (10%) will be deposited into the depreciation reserve account.

Page 2

If you have any questions regarding these or any other matters pertaining to your loan, please contact our office at your earliest convenience.

Sincerely,

GARY D. WILSON
Rural Development Specialist

cc: State Director
USDA-Rural Development
Morgantown, WV

Carolyn G. Flannery, Esquire
Snyder & Hassig
New Martinsville, WV

S & S Engineers, Inc.
Charleston, WV

John C. Stump, Esquire ✓
Steptoe and Johnson
Charleston, WV

E. Mark Abraham, CPA
Dobbs, Abraham & Company
Moundsville, WV

TOWN OF PADEN CITY

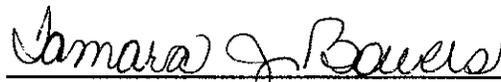
Water Revenue Bonds, Series 2001 A

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of Wesbanco Bank, Paden City, West Virginia (the "Bank"), hereby certify that on April 26, 2001, the Bank received an automated clearinghouse transfer in the amount of \$12,500, to the credit of The Town of Paden City, Water Construction Account, Account Number 192548336.

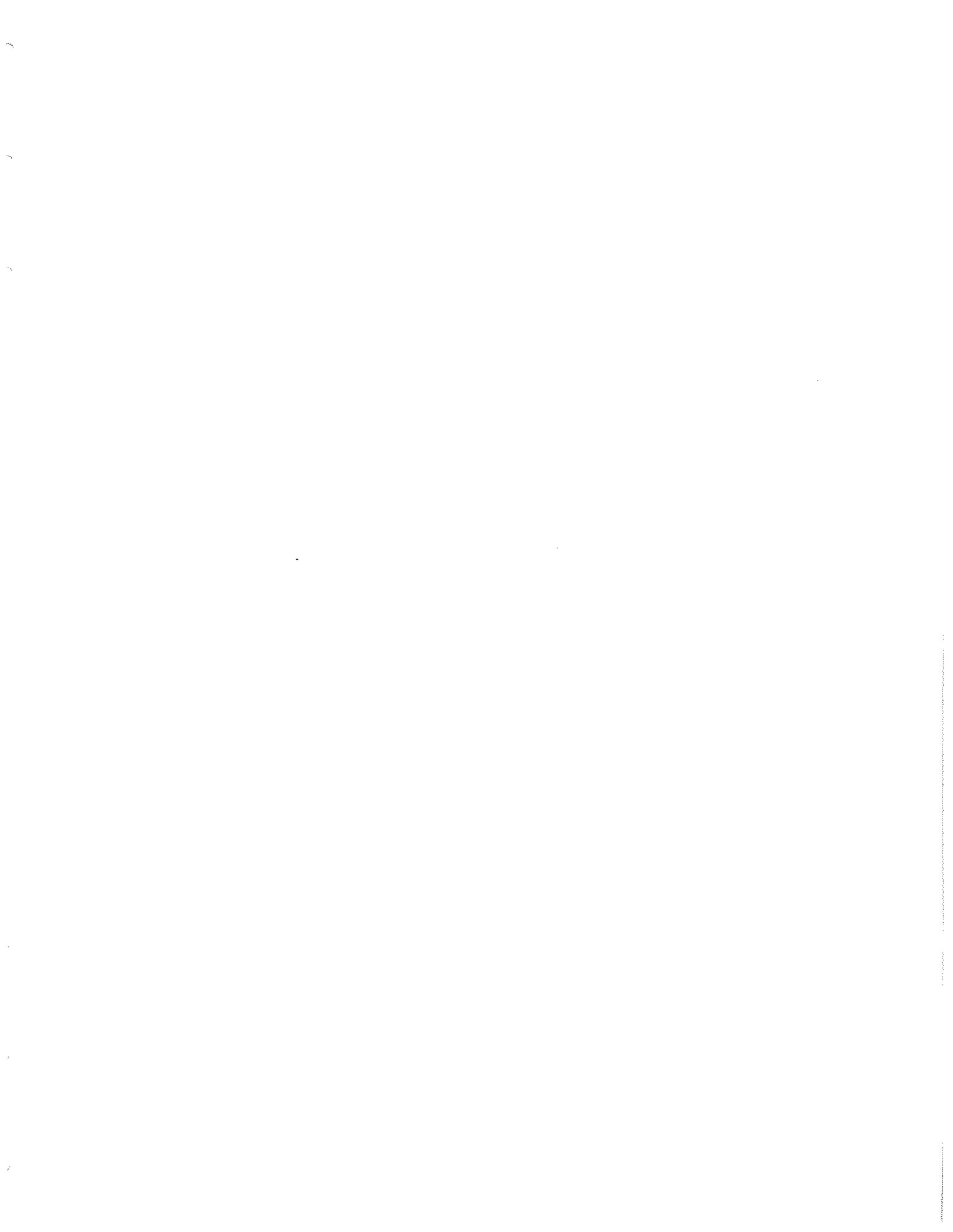
WITNESS my signature on this April 26, 2001.

WESBANCO BANK



Its: Branch Manager

04/17/01
683590.00001



MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: April 26, 2001
Re: Closing Memo - Town of Paden City Water Revenue Bonds, Series 2001 A

1. DISBURSEMENTS TO TOWN OF PADEN CITY

Payor: United States Department of Agriculture
Amount: \$12,500
Form: ACH transfer
Payee: Town of Paden City
Bank: WesBanco Bank
Routing #: 043400036
Account #: 192548336
Contact: Tammi Bowers ((304) 337-2205)
Account: Water Construction Account

2. DISBURSEMENTS BY TOWN OF PADEN CITY

Payor: Town of Paden City
Amount: \$21,276
Form: Check
Payee: West Virginia Municipal Bond Commission
Source: Series 1982 Bonds Reserve Account (WesBanco Bank)
Account: Series 1982 Bonds Reserve Account

04/17/01
683590/00001