

**TOWN OF PADEN CITY**

**Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)**

**BOND TRANSCRIPT**

**Table of Contents**

**BASIC DOCUMENTS**

1. Bond Ordinance
2. Supplemental Resolution
3. Public Service Commission Orders
4. United States Department of Agriculture Loan Resolution for Series 2011 A Bonds
5. Receipt for Bonds
6. Specimen Series 2011 A Bond
7. Registration Book

**OPINIONS OF COUNSEL**

8. Approving Opinion of Steptoe & Johnson PLLC, Bond Counsel
9. Opinion of Counsel to Issuer

**CERTIFICATES**

10. Combined Certificate of Issuer and Attorney
11. Engineer's Certificate
12. Certificate of Certified Public Accountant

**DOCUMENTS OF THE ISSUER**

13. Town Charter
14. Oaths of Office of Officers and Councilmembers
15. Resolution on Open Governmental Proceedings
16. Sewer Rate Ordinance
17. Minutes on Adoption and Enactment of Sewer Rate Ordinance
18. Affidavit of Publication for Notice of Public Hearing on Sewer Rate Ordinance
19. Affidavit of Publication on Bond Ordinance
20. Minutes on Adoption and Enactment of Bond Ordinance
21. Ordinance Creating Sanitary Board
22. Petition of Sanitary Board
23. Municipal Bond Commission New Issue Report

**MISCELLANEOUS DOCUMENTS**

24. United States Department of Agriculture Letter of Conditions and Closing Instructions
25. Receipt of Depository Bank
26. Consent of West Virginia Water Development Authority
27. Bureau for Public Health Permit
28. First Draw Resolution
29. Prior Bond Ordinance

**TOWN OF PADEN CITY**  
**Sewer Revenue Bonds, Series 2011 A**  
**(United States Department of Agriculture)**

**BOND ORDINANCE**

**Table of Contents**

**ARTICLE I**

**STATUTORY AUTHORITY, FINDINGS  
AND DEFINITIONS**

Section 1.01	Authority for this Ordinance
Section 1.02	Findings and Determinations
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

**ARTICLE II**

**AUTHORIZATION OF ACQUISITION AND  
CONSTRUCTION OF THE PROJECT**

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

**ARTICLE III**

**AUTHORIZATION, TERMS, EXECUTION,  
REGISTRATION AND ISSUE OF BONDS**

Section 3.01	Authorization of Bonds
Section 3.02	Description of Bonds
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds
Section 3.04	Bond Registrar
Section 3.05	Execution of Bonds
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds Secured by Pledge of Net Revenues
Section 3.08	Form of Bonds
	FORM OF BOND

**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
Section 4.02	Establishment of Funds and Accounts with Commission
Section 4.03	Bond Proceeds; Project Construction Account
Section 4.04	Covenants of the Issuer as to Revenues and Funds
Section 4.05	Interim Construction Financing

**ARTICLE V**

**GENERAL COVENANTS**

Section 5.01	General Statement
Section 5.02	Rates
Section 5.03	Sale of the System
Section 5.04	Issuance of Additional Parity Bonds or Obligations
Section 5.05	Insurance and Bonds
Section 5.06	Statutory Mortgage Lien
Section 5.07	Events of Default
Section 5.08	Enforcement
Section 5.09	Fiscal Year; Budget
Section 5.10	Covenant to Proceed and Complete
Section 5.11	Books and Records; Audits
Section 5.12	Maintenance of System
Section 5.13	No Competition

**ARTICLE VI**

**RATES, ETC.**

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

**ARTICLE VII**

**MISCELLANEOUS**

Section 7.01	Payment of Bonds
Section 7.02	Modification or Amendment
Section 7.03	Delivery of Bonds
Section 7.04	Severability of Invalid Provisions
Section 7.05	Conflicting Provisions Repealed
Section 7.06	Table of Contents and Headings
Section 7.07	Covenant of Due Procedure, Etc

Section 7.08

Section 7.09

Statutory Notice and Public Hearing

Effective Date

SIGNATURES

CERTIFICATION

TOWN OF PADEN CITY

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE 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 \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; 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 16, Article 13 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 Wetzel and Tyler 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 sewerage system and desires to acquire, construct and operate certain additional public sewerage facilities consisting of additions, betterments and improvements to such existing Sewerage 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 sewerage system of the Issuer, consisting of replacement of 6 inch through 24 inch sewer lines, replacement of manholes and various repairs to existing manholes, and all necessary appurtenances (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 sewerage 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 Series 2011 A Bonds and the Prior Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein and in the Prior Ordinance,

D. The estimated maximum cost of the acquisition and construction of the Project is \$2,500,000 which will be obtained from the proceeds of sale of the Bonds herein authorized.

E. It is necessary for the Issuer to issue its Sewer Revenue Bonds Series 2011 A (United States Department of Agriculture) in one or more series, in the aggregate principal amount of \$2,500,000 (the "Series 2011 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 acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2011 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; 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 2011 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

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

G. The Issuer has outstanding its Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$536,426 (the "Series 1987 A Bonds"), and Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$131,574 (the "Series 1987 B Bonds"), (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by a lien on the Net Revenues (as hereinafter defined) of the System.

The Series 2011 A Bonds shall be issued on a parity with the Series 1987 A Bonds and senior and prior to the Series 1987 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects.

Prior to the issuance of the Series 2011 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; (ii) the written consent of the Holders of the Series 1987 A Bonds to the issuance of the Series 2011 A Bonds on a parity with the Series 1987 A Bonds; and (iii) the written consent of the Holders of the Series 1987 B Bonds to the issuance of the Series 2011 A Bonds on a senior and prior basis to the series 1987 B Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. It is in the best interest of the Issuer that the Series 2011 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated May 17, 2007, and any amendments, thereto (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 2011 A Bonds, or will have so complied prior to issuance of the Series 2011 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges 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 2011 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 2011 A Bonds.

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

"Act" means Chapter 16, Article 13 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 2011 A Bonds, the Prior Bonds and where appropriate, any bonds on a parity herewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2011 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2011 A Bonds from the Purchaser.

"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 Qk4 Engineering, St. Albans, 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 a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns as designated in the Supplemental Resolution.

"Facilities" or "sewerage 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.

"Grant" means any grant monies committed to the Project.

"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 Wetzel and Tyler Counties, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated May 17, 2007, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2011 A Bonds in the then current or any succeeding year.

"Net Revenues" means the balance of the Gross Revenues, as defined below, remaining after deduction only 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 2011 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Ordinances" means, the Bond Legislation.

Bonds. "Prior Bonds" means the Series 1987 A Bonds and the Series 1987 B

Bonds. "Prior Ordinance" means the Ordinance of the Issuer authorizing the Prior

"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 (hereinbefore defined) 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 Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax

purposes, and which are rated at least "A" by Moody's Investors Service 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 Series 2011 A Bonds.

"Reserve Funds" means, the respective reserve funds for the Series 2011 A 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 1987 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$536,426.

"Series 1987 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$131,574.

"Series 2011 A Bonds" means the Sewer Revenue Bonds, (United States Department of Agriculture) issued in one or more series authorized by this Ordinance.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded with the article "the", refers specifically to the supplemental resolution authorizing the sale of the Series 2011 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2011 A Bonds, and not so included may be included in another supplemental resolution.

"System" means the complete Sewerage system of the Issuer and all Sewerage 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 sewerage systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the Sewerage 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 2011 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2011 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 not to exceed \$2,500,000, 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 2011 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The estimated maximum cost of the acquisition and construction of the Project is \$2,500,000 which will be obtained from the proceeds of sale of the Bonds herein authorized.

## 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 2011 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2011 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of not to exceed \$2,500,000 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 2011 A Bonds shall be issued in one or more series, only as a fully registered Bond in an aggregate principal amount to be prescribed in the Supplemental Resolution, and shall be dated on the date of delivery thereof. The Series 2011 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 4.125% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2011 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 2011 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 2011 A Bonds, and the right to the principal of and stated interest on the Series 2011 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 2011 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 2011 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 2011 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2011 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2011 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2011 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 2011 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2011 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 2011 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 2011 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 2011 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2011 A Bonds shall cease to be such officer of the Issuer before the Series 2011 A Bonds so signed and sealed 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 2011 A Bonds had not ceased to hold such office. The Series 2011 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 2011 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 2011 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 2011 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2011 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2011 A Bonds the Issuer may pay the same, and, if such Series 2011 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2011 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2011 A Bonds on a parity with the Series 1987 A Bonds and senior and prior to the Series 1987 B Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2011 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 2011 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 2011 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 supplemental resolution enacted after the date of enactment hereof and prior to the issuance thereof:

[Remainder of Page Intentionally Blank]



(FORM OF SERIES 2011 A BOND)

TOWN OF PADEN CITY

SEWER REVENUE BONDS, SERIES 2011 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)

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

No. AR-1

Date: \_\_\_\_\_, 2011

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 \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), plus interest on the unpaid principal balance at the rate of \_\_\_\_% 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 this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$ \_\_\_\_\_, 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 Sewerage 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, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

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 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on \_\_\_\_\_, 2011, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2011 authorizing issuance of this Bond (collectively, 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 Farm and Rural Development Act of 1965, as amended. 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 RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 28, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$536,426 (THE "SERIES 1987 A BONDS"); AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 28, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$131,574 (THE "SERIES 1987 B BONDS")

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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]

\_\_\_\_\_  
Mayor

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

ATTEST:

\_\_\_\_\_  
Recorder

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ \_\_\_\_\_

(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: \_\_\_\_\_, 20 \_\_\_\_.

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 created (or continued if previously established by Prior Ordinance) and established with, 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 Prior Ordinance and continued hereby);
- (2) Renewal and Replacement Fund (established by Prior Ordinance 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 (or continued if previously established by Prior Ordinance) with and shall be held by, the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 1987 A Bonds Sinking Fund (established by Prior Ordinance and continued hereby);
- (2) Series 1987 A Bonds Reserve Account (established by Prior Ordinance and continued hereby);
- (3) Series 1987 B Bonds Sinking Fund (established by Prior Ordinance and continued hereby);
- (4) Series 1987 B Bonds Reserve Account (established by Prior Ordinance and continued hereby);
- (5) Series 2011 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2011 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The monies in the 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. Monies in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies 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 2011 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 Revenues and Funds. So long as any of the Series 2011 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2011 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2011 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2011 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, pay from the Revenue Fund the Operating Expenses of the System.

---

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit (i) to the Commission for deposit in the Series 1987 A Sinking Fund Bonds the amount required by the Prior Ordinance to pay the interest on the Series 1987 A Bonds; and (ii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2011 A Bonds, the amounts required to pay interest on the Series 2011 A Bonds over the life of the bond issue.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously (i) on or before the due date thereof, remit to the Commission the amount required by the Prior Ordinance to pay the principal of the Series 1987 A Bonds; and (ii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2011 A Bonds, the amount required to amortize the principal of the Series 2011 A Bonds over the life of the bond issue.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Commission, the amount required by the Prior Ordinance to be deposited in the Reserve Fund for the Series 1987 A Bonds; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24<sup>th</sup> monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2011 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2011 A Bonds Reserve Account equals the Series 2011 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2011 A Bonds Reserve Requirement.

(5) 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 Renewal and Replacement Fund, an amount equal to 2 ½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII

hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next each month transfer from the Revenue Fund and remit to the Commission the amount required by Prior Ordinance to pay principal on the Series 1987 B Bonds.

(7) The Issuer shall next each month transfer from the Revenue Fund and remit to the Commission the amount required by Prior Ordinance to be deposited in the Series 1987 B Reserve Account.

(8) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies 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 of the System.

Whenever the monies in the Series 2011 A Bonds Reserve Account shall be sufficient to prepay the Series 2011 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2011 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 Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund 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 2011 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer 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.

The Revenue Fund and the Renewal and Replacement Fund 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 on a parity with the Prior Bonds thereon for further securing payment of the Series 2011 A Bonds and the interest thereon, but the Depository Bank 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 on a parity and pro rata with respect to the Series 1987 A Bonds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2011 A Bonds Reserve Account and the Renewal and Replacement Fund 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 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 Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2011 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 Series 2011 A Bonds, provide evidence that there will be at least 1230 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 monies 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, in lawful manner for securing 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.

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the grants and advances of principal of the Series 2011 A Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$2,500,000 (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 with such bank or other lender. 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 2011 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 2011 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2011 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2011 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 2011 A Bonds.

Section 5.02. Rates. Prior to the issuance of the Series 2011 A Bonds, 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 (i) 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 2011 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; and (ii) so long as the Prior Bonds are Outstanding to provide for all reasonable expenses of operation, repair, maintenance of the System and to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the reserve requirements for the Bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any Fiscal year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 5.03. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, the System will not be sold without the prior written consent of the Purchaser so long as the Series 2011 A Bonds are outstanding.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

So long as the Series 2011 A Bonds are outstanding, no Parity Bonds

shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding;
- (3) The Parity Bonds then proposed to be issued.

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2011 A Bonds, representing 75% of the then-outstanding principal indebtedness.

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

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed

the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinances with respect to the Series 2011 A Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

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 2011 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 2011 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 Recorder 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 System 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 such amount as may be requested by the Purchaser from time to time.

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 2011 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 2011 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2011 A Bonds and shall be for the equal benefit of the Series 2011 A Bonds on a parity with the Series 1987 A Bonds and senior and prior to the Series 1987 B 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 2011 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 2011 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law, or

C. If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.08. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2011 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2011 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2011 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2011 A Bonds shall be on a parity with with those of the Holders of the Series 1987 A Bonds and senior and prior to the Holders of the Series 1987 B Bonds.

Any Registered Owner of the Bonds, by proper legal action, compel the performance of the duties of the Issuer under this Bond Legislation and the Act, including,

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

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

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

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

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

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

Section 5.09. Fiscal Year; Budget. While the Series 2011 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 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 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 adoption hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. 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.

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 maintain the System as a revenue-producing utility as herein provided so long as the Series 2011 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 March 5, 2006 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 if not paid when due. 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 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.

G. 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.

H. 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, but in any event, not less than 110% of the annual debt service on the Bonds outstanding after Prior Bonds are paid in full.

## 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 2011 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 2011 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2011 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2011 A Bonds, the Issuer may not defease the Series 2011 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2011 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2011 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 Series 2011 A Bonds, 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 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 Series 2011 A Bonds.

Section 7.05. Conflicting Provisions Repealed. Except for the Prior Ordinance, 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 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. 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 two successive weeks within a period of fourteen consecutive days, with at least

six full days intervening between each publication, in *Wetzel Chronicle*, 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, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of 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 in the office of the Recorder of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

Section 7.09. Effective Date. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

---

Passed on First Reading: November 1, 2010

Passed on Second Reading: December 6, 2010

Passed on Final Reading  
Following Public Hearing: January 3, 2011

  
\_\_\_\_\_  
Mayor

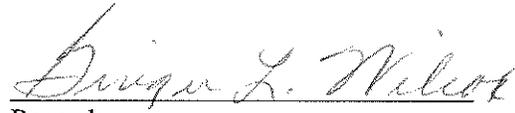
CERTIFICATION

---

Certified a true copy of an Ordinance duly enacted by the Council of the  
Town of Paden City on the 3rd day of January, 2011.

Dated this 3rd day of February, 2011.

[SEAL]

  
Recorder

683590.00002

5387073

TOWN OF PADEN CITY

Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

---

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2011 A OF THE TOWN OF PADEN CITY, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Paden City (the "Issuer") has duly and officially adopted and enacted a bond ordinance, January 3, 2011 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE 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 \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; 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.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2011 A, of the Issuer (the "Series 2011 A Bonds"), in an aggregate principal amount not to exceed \$2,500,000, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. Sewer Revenue Bonds, Series 2011 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$1,715,000. The Series 2011 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.125% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2011 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of \$7,461 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2011 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2011 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2011 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about February 3, 2011, to the Purchaser.

Section 3. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 4. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Padon City, West Virginia for the purpose of serving in the capacity of Depository Bank.

Section 5. The cost of the Project is estimated not to exceed \$1,715,000, of which \$1,715,000 will be obtained from proceeds of the Series 2011 A Bonds.

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 24th day of January, 2011.

---

*William B. Fox*  
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the  
Town of Paden City on the 24th day of January, 2011.

---

Dated: February 3, 2011.

[SEAL]

  
\_\_\_\_\_  
Recorder

683590.00002

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

FINAL

Entered: October 18, 2010

11/7/2010

CASE NO. 10-0543-S-CN

CITY OF PADEN CITY,

Application for a certificate of convenience and necessity to construct improvements to existing wastewater collection system in the corporate limits in Wetzel and Tyler Counties.

RECOMMENDED DECISION

PROCEDURE

On April 19, 2010, the City of Paden City (Paden City) filed a duly verified application for a certificate of public convenience and necessity pursuant to W. Va. Code §24-2-11 in order to construct certain improvements to its existing wastewater collection system in an attempt to alleviate inflow and infiltration from its system. According to the application, the project will cost \$2,084,000 and will be financed entirely by a loan from the United States Department of Agriculture-Rural Utilities Services at an anticipated interest rate of 4.12% per year for a term of 38 years. Also according to the application, Paden City has obtained the necessary permits or approvals from the West Virginia Division of Highways, West Virginia Office of Environmental Services, West Virginia Department of Environmental Protection and CSX Transportation. Paden City also noted that no new customers are being served by this project. Finally, Paden City noted that it is not seeking to increase its rates and charges as a result of the project.

By Order of the Commission entered on April 19, 2010, the City of Paden City was ordered to publish a Notice of Filing, making due return to the Commission of the appropriate affidavit of publication.

On May 7, 2010, Paden City filed a certificate of publication which verified that it had published notice of its certificate application as a Class I legal advertisement on April 28, 2010, in the Wetzel Chronicle, a newspaper generally circulated in Wetzel County, and on April 28, 2010, in the Tyler Star News, a newspaper generally circulated in Tyler County, since Paden City operates both in Wetzel and Tyler Counties.

On May 21, 2010, Commission Staff filed a Motion to Dismiss the City's certificate application. Among other things, Commission Staff noted that the case should be dismissed because the City's Rule 42 filing was deficient.

MKM

Also on May 21, 2010, Commission Staff filed an Initial and Final Joint Staff Memorandum stating that the case should be dismissed due to the City's deficient Rule 42 filing.

On June 1, 2010, Paden City filed an objection to the Motion to Dismiss and requested an extension of time to supplement its Rule 42 filing.

On June 4, 2010, Paden City filed a motion to toll the statutory time period for the case, requesting that the Commission toll the statutory time period until the City supplements its Rule 42 Exhibit, correcting the deficiency.

On June 14, 2010, Paden City filed a motion to supplement its Rule 42 Exhibit along with statements and schedules purporting to correct the deficiency.

On June 30, 2010, Commission Staff filed a Further Joint Staff Memorandum. Among other things, Commission Staff requested that the Commission make no ruling on its motion to dismiss, recommending instead that the Commission grant the motion to toll the proceeding.

By Order of the Commission entered on July 14, 2010, the Commission granted Paden City's motion to toll the statutory review period and referred the case to the Division of Administrative Law Judges for further processing with a decision due date of January 11, 2011.

On July 19, 2010, Commission Staff issued its First Data Requests to the City of Paden City.

On August 9, 2010, the City of Paden City filed its response to Staff's first data requests.

On September 13, 2010, Commission Staff filed a Final Joint Staff Memorandum in this case recommending that the Commission approve the certificate application subject to certain conditions.

Also on September 13, 2010, a copy of Staff's final recommendation was mailed to the City of Paden City by the Commission's Executive Secretary along with a letter advising the City of its right to file a response to Staff's recommendation within ten (10) days of the date noted on the cover letter. As of today's date, Paden City has filed no response to Staff's final recommendation.

#### DISCUSSION

The City of Paden City owns and operates a wastewater collection system within its corporate limits in Wetzel and Tyler Counties. The City's original wastewater system was constructed in the 1920s and currently serves approximately 1,230 customers. According to the engineering report accompanying the City's certificate application, the existing system experiences excessive inflow and infiltration, resulting in approximately 40% of the system's total flow being attributed to I&I. Surcharged manholes and flooded basements have been experienced on the system due to the system's inability to handle the flows. The proposed project, as designed, will replace approximately 7,565 feet of 6-inch

through 24-inch sewer lines that were identified by video inspection as being in the worst condition. The project will also involve the replacement of 33 manholes and 520 various repairs to existing manholes at a total project cost of \$2,084,000. Unfortunately, not all of the system's I&I problems will be remediated by the project; however, it is anticipated that system performance will improve as a result of the project. Although the project is expected to reduce system flows which should reduce cost, no change in operation and maintenance expenses were projected by Paden City. The State Office of Environmental Health Services issued Permit No. 17,946, indicating that agency's approval of the proposed construction. Additionally, all of the other necessary permits have been obtained and are contained in the case file. Engineering Staff's review of the project's plans and specifications did not reveal any conflicts with the Commission's rules and regulations.

As stated previously, the cost of the proposed project is estimated to be \$2,084,000 and will be financed entirely by a loan from the United States Department of Agriculture-Rural Utilities Service. For planning purposes, Staff used an interest rate of 4.125% with an amortization factor of .00435. The RUS letter of conditions requires the City to establish and make monthly payments into a monthly debt service reserve account. The payments must equal 10% of the monthly payment on the loan each month until the City accumulates the equivalent of one annual installment of the loan. In the cash flow analysis developed by Commission Staff, the annual debt service on the RUS loan is \$108,696. The cash flow analysis includes a debt service reserve of \$16,304, including the debt payment reserve amount. After all revenue deductions, Paden City will have a cash flow surplus of \$25,550, which will provide it with an adequate debt service coverage of 123%. Accordingly, Commission Staff recommended approval of the certificate application and its funding package subject to certain conditions.

Based on all of the above, the Administrative Law Judge will approve the certificate application and the funding associated therewith subject to the conditions set forth in the Final Joint Staff Memorandum.

#### FINDINGS OF FACT

1. On April 9, 2010, the City of Paden City filed a duly verified certificate of public convenience and necessity pursuant to W. Va. Code §24-2-11 seeking consent and approval to construct certain additions and improvements to its existing sewer system located in Wetzel and Tyler Counties, at an approximate cost of \$2,084,000 to be financed by a loan from the United States Department of Agriculture-Rural Utilities Services at 4.125% for a term of 40 years. Customer rates will not increase as a result of the project. (See, application filed by Paden City on April 9, 2010).

2. After investigation and review, Commission Staff recommended that Paden City's certificate application and proposed financing be approved subject to certain conditions. (See, Final Joint Staff Memorandum filed September 13, 2010).

3. Notice of the proposed project was published as Class I legal advertisements in the Wetzel Chronicle and Tyler Star News on April 28, 2010, newspapers published and of general circulation in Wetzel and Tyler

Counties. As of today's date, no protest to those publications has been received. (See, Affidavits of Publication filed on May 7, 2010; case file generally).

4. By Order of the Commission entered on July 14, 2010, the statutory decision deadline in this case was tolled at the request of the City of Paden City and the matter was referred to the Division of Administrative Law Judges with a decision due date of January 11, 2011. (See, Paden City's June 4, 2010 Motion; Commission's July 14, 2010 Order entered in this case).

5. Paden City filed revised and supplemental statements and schedules to its Rule 42 exhibit on June 14, 2010. (See, filing made by Paden City on June 14, 2010).

6. The need for the project is well-documented in that excessive inflow and infiltration accounts for approximately 40% of the system's flows, resulting in surcharged manholes and flooded basements due to the system's inability to handle the flows. Additionally, since the system was constructed in the 1920s, much of the system is in need of replacement and/or repair. (See, Final Joint Staff Memorandum filed September 13, 2010).

7. The State Office of Environmental Health Services issued Permit No. 17,946, indicating that the agency approves of the proposed construction. Likewise, the Technical Analyst's review of the project's plans and specifications did not reveal any conflicts with the Commission's rules and regulations. All other necessary permits are contained in the case file. (See, Final Joint Staff Memorandum filed on September 13, 2010; case file generally).

8. The cost of the project is estimated at \$2,084,000, which will be fully funded by a United States Department of Agriculture Rural Utilities Services Loan. The RUS Letter of Conditions is contained in the case file. (See, case file generally).

9. The Staff recommendation was mailed to Paden City by United States First Class Mail, postage prepaid, on September 13, 2010, along with a letter prepared by the Commission's Executive Secretary providing Paden City with the opportunity to respond within ten days. As of today's date, there has been no response filed by Paden City to Staff's final recommendation. (See, Executive Secretary's letter dated September 13, 2010; case file generally).

#### CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project because it will help eliminate inflow and infiltration on Paden City's sewer system which has episodes of surcharged manholes and flooded basements. Furthermore, the project is financially feasible, since it is fully funded by an RUS loan and rates will not increase as a result of the project.

2. It is reasonable to grant the certificate application filed by the City of Paden City, as modified on June 14, 2010, without hearing,

with the conditions recommended by Staff, since no objection was raised thereto and the notice of the application was properly published.

ORDER

IT IS, THEREFORE, ORDERED that the duly-verified certificate application filed by the City of Paden City on April 9, 2010, as amended on June 14, 2010, for a certificate of public convenience and necessity to construct certain additions and improvements to its existing wastewater system pursuant to W. Va. Code §24-2-11 at an estimated cost of \$2,084,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the proposed funding for the project, consisting of a United States Department of Agriculture-Rural Utilities Services Loan in the amount of \$2,084,000, with terms of 40 years at 4.125%, be, and hereby is, approved.

IT IS FURTHER ORDERED that the City of Paden City obtain additional Commission approval, prior to construction, if the plans, scope or terms of financing for the project change.

IT IS FURTHER ORDERED that, if project rates change as a result of this project, the City of Paden City must obtain additional Commission approval of the project, prior to construction.

IT IS FURTHER ORDERED that the City of Paden City file with the Commission a copy of the engineer's certified bid tabulations for all contracts awarded for the project and submit a copy of the Certificate of Substantial Completion issued for each construction contract associated with the project, as soon as it becomes available.

IT IS FURTHER ORDERED that, if the project certificated herein requires the use of any West Virginia Department of Highways' rights-of-way, the City of Paden City follow all applicable rules and regulations of the Department of Highways regarding those rights-of-way.

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

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave 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.

  
Meyisha Pearl Blair  
Administrative Law Judge

MPB:cdk  
100543a.wpd

WETZEL CHRONICLE

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston, on the 19th day of April 2010.

CASE NO. 10-0543-S-CN CITY OF PADEN CITY Application for a certificate of convenience and necessity to construct, improve and rehabilitate the City's wastewater collection system in the corporate limits in Wetzel and Tyler Counties.

New Martinsville, WV April 28, 2010

State of West Virginia, County of Wetzel:

NOTICE OF FILING On April 19, 2010, the City of Padon City (City) filed an application, duly verified, for a certificate of convenience and necessity to construct certain additions, improvements and extensions to the City's wastewater collection system situate in Wetzel and Tyler Counties, West Virginia. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, Charleston, West Virginia. The City estimates that the cost of the proposed construction and other related costs will not exceed a total of \$2,034,000.00. The project will be financed one-hundred percent (100%) through a loan from USDA-Rural Utilities Services at an anticipated interest rate of 4.125% per annum for a 35 year term. The City is not seeking to increase the rates charged to its customers and believes that the current rate structure is sufficient to cover the proposed costs associated with the project, including repayment of the loan from USDA-Rural Utilities Services. The City has no resale customers. 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. Pursuant to W. Va. Code 22-2-11, IT IS ORDERED that the City of Padon City give notice of the filing of said application, by publish-

once in qualified newspapers as provided in W. Va. Code 22-2-11. It is further ordered that any person wishing to protest or intervene in this case should file a written protest or notice of intervention within thirty days following the date of this publication unless otherwise notified by Commission or otherwise. Any timely protest or intervene can be filed with the right to protest against this certificate case, including any associated fees or charges of to participate in the hearing. All protests or requests for intervene should be filed with the reason for the protest or intervene must comply with the Commission's Rules on Intervention set forth in the Commission's Rules, Practices and Procedures. All protests and intervenes should be addressed to Sandra Squire, Secretary, P.O. Box 132, Charleston, West Virginia 25323. IT IS ORDERED that if there is no substantial protest to the application received within said thirty day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

CITY OF PADEN CITY WC 4-28-10157

Personally appeared before the undersigned, a Notary Public, Brian Clutter 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... successive weeks in the Wetzel Chronicle, beginning on the ... day of ... 2010 and ending on the ... day of ... 2010.

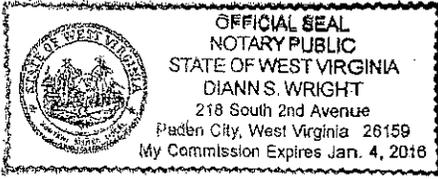
Brian Clutter Manager, Wetzel Chronicle

Subscribed and sworn to before me, a Notary Public of said County, on this ... day of ... 2010.

Diann S. Wright Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....



PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Order by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston, on the 28th day of April 2010.

Case NO. 10-0543-S-CN CITY OF PADEN CITY

Application for a certificate of convenience and necessity to construct, improve and rehabilitate the City's wastewater collection system in the corporate limits of Wetzel and Tyler Counties.

OFFICE OF FILING

On April 19th, 2010, the City of Padon City (City)

Filed an application, duly verified, for a certificate of convenience and necessity to construct certain additions, improvements and extensions to the City's wastewater collection system situated in Wetzel and Tyler Counties, West Virginia. The application is on file with said available for public inspection at the Public Service Commission, 201 Brooks Street, Charleston, West Virginia.

The City estimates that the cost of the proposed construction and other related costs will not exceed a total of \$2,082,000.00. The project will be financed through a loan from USDA Rural Utilities Services at an anticipated interest rate of 4.25% per annum. The City is not seeking to increase the rates charged to its customers and believes that the current rate structure is sufficient to cover the proposed costs associated with the project, including repayment of the loan from USDA Rural Utilities Services.

The City has no resale customers.

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.

Pursuant to W.Va. Code 24-2-11, IT IS ORDERED that the City of Padon City give notice of the filing of said application by publishing a copy of this order once in a qualified newspaper as provided in W.Va. Code 59-3-1 et seq, published and of general circulation in Wetzel and Tyler Counties making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within thirty days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of

this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if there is no substantial protest to the Application received within said thirty day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review hereof.

Sandra Squire Executive Secretary

TEN 105 4 28

TYLER STAR NEWS

Sistersville, WV April 28, 2010

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public,

Brian Clutter who, being duly sworn,

states that he is the 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.....successive

weeks in the Tyler Star News, beginning on the 28 day of April 2010 and ending on the 28 day

of April 2010.

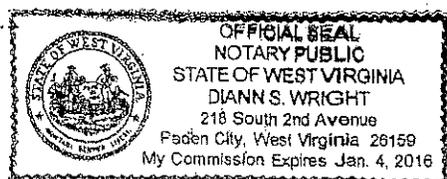
[Signature] Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 28 day of April 2010.

[Signature] Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....



(Automated 8-97)

**LOAN RESOLUTION**  
(Public Bodies)

A RESOLUTION OF THE \_\_\_\_\_ City Council

OF THE \_\_\_\_\_ Paden City, City of

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Sewer System

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the \_\_\_\_\_ Paden City, City of  
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of ONE MILLION SEVEN HUNDRED FIFTEEN THOUSAND AND XX/100 DOLLARS \$1,715,000.00)

pursuant to the provisions of \_\_\_\_\_ Chapter 16, Article 13, West Virginia Code \_\_\_\_\_; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining 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 as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

*Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, DC 20503.*



**CERTIFICATION TO BE EXECUTED AT LOAN CLOSING**

I, the undersigned, as \_\_\_\_\_ Recorder \_\_\_\_\_ of the \_\_\_\_\_ Paden City, City of \_\_\_\_\_

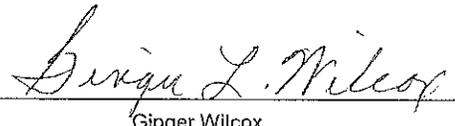
hereby certify that the \_\_\_\_\_ City Council \_\_\_\_\_ of such Association is composed of

\_\_\_\_\_ 5 \_\_\_\_\_ members, of whom, \_\_\_\_\_ 3 \_\_\_\_\_ constituting a quorum, were present at a meeting thereof duly called and

held on the \_\_\_\_\_ 28th \_\_\_\_\_ day of \_\_\_\_\_ January 2011 \_\_\_\_\_; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of \_\_\_\_\_ February 3, 2011 \_\_\_\_\_, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this \_\_\_\_\_ 3rd \_\_\_\_\_ day of \_\_\_\_\_ February 2011 \_\_\_\_\_

  
\_\_\_\_\_

Ginger Wilcox

Title: \_\_\_\_\_ Recorder \_\_\_\_\_

Town of Paden City  
Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

---

RECEIPT FOR BONDS

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 3rd day of February, 2011, at Paden City, West Virginia, the undersigned received for the Purchaser the single, fully registered the Town of Paden City Sewer Revenue Bonds, Series 2011 A (United States Department Agriculture), No. AR-1 (the "Series 2011 A Bonds"), in the principal amount of \$1,715,000, dated as of the date hereof, bearing interest at the rate of 4.125% per annum, and payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2011 A Bonds had been executed and sealed by the designated officials of the Town of Paden City (the "Issuer").

4. At the time of such receipt, there was paid to the Issuer the sum of \$128,650, being a portion of the principal amount of the Series 2011 A Bonds. The balance of the principal amount of the Series 2011 A Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 3rd day of February, 2011.

  
Authorized Representative

# SPECIMEN

## TOWN OF PADEN CITY

### SEWER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,715,000

No. AR-1

Date: February 3, 2011

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 SEVEN HUNDRED FIFTEEN THOUSAND DOLLARS (\$1,715,000), plus interest on the unpaid principal balance at the rate of 4.125% 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 this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$7,461, 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 Sewerage 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, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

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 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on January 3, 2011, and a Supplemental Resolution duly adopted by the Issuer on January 24, 2011 authorizing issuance of this Bond (collectively, 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 Farm and Rural Development Act of 1965, as amended. 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 RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 28, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$536,426 (THE "SERIES 1987 A BONDS"); AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED APRIL 28, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$131,574 (THE "SERIES 1987 B BONDS").

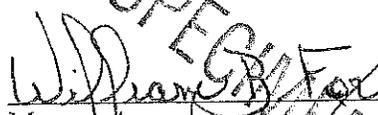
In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

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

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$128,650	02/03/2011	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ \_\_\_\_\_

(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: \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
In presence of:

\_\_\_\_\_

TOWN OF PADEN CITY

SEWER REVENUE BONDS, SERIES 2011 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,715,000

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	February 3, 2011	United States Department of Agriculture	<i>Dwight L. Wilcox</i>

683590.00002

5387098

February 3, 2011

Town of Paden City  
Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

Town of Paden City  
Paden City, West Virginia

United States Department of Agriculture  
Ripley, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Paden City, in Wetzel and Tyler Counties, West Virginia (the "Issuer"), of its \$1,715,000 Sewer Revenue Bonds, Series 2011 A (United States Department of Agriculture), dated the date hereof (the "Series 2011 A Bonds"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on January 3, 2011 as supplemented by Supplemental Resolution duly adopted on January 24, 2011 (collectively, 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 Series 2011 A Bonds, 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 Legislation for the security of the Series 2011 A Bonds on a parity with the Issuer's Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$536,426 (the "Series 1987 A Bonds"); and senior and prior to the Issuer's Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$131,574 (the "Series 1987 B Bonds"). Other than the Series 1987 A Bonds there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2011 A Bonds as to liens, pledge and/or source of and security for payment.

4. The Series 2011 A Bonds have 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 Series 2011 A 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; therefore, the interest on the Series 2011 A Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2011 A Bonds.

6. The Series 2011 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2011 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holder of the Series 2011 A Bonds and the enforceability of the Series 2011 A Bonds, 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

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\*\*  
PHILIP J. BOWSER

TELEPHONE  
(304) 455-2180

TELECOPIER  
(304) 455-1514

February 3, 2011

\* ALSO ADMITTED IN PENNSYLVANIA

\*\* ALSO ADMITTED IN OHIO

Town of Paden City  
Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

Town of Paden City  
Paden City, West Virginia

United States Department of Agriculture  
Ripley, West Virginia

Steptoe & Johnson PLLC  
Charleston, 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 Wetzell 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 January 3, 2011 as supplemented by Supplemental Resolution duly adopted on January 24, 2011 (collectively, the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds"). 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 and 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 Bonds and the consummation of the transactions contemplated by the Bonds 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. I am of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia ("PSC"), including the Recommended Decision dated October 18, 2010 which became a Final Order on November 7, 2010 in Case No. 10-0543-S-CN approving the financing for the Project. The time for appeal of the Commission Orders has expired prior to the date hereof. All Orders remain in full force and effect.

6. 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 successful appeal.

7. 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 Bonds and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, or the validity of the Bonds, or the collection or pledge of the Net Revenues therefor.

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

Very truly yours,

  
SNYDER & HASSIG

TOWN OF PADEN CITY

Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

---

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. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

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 on this 3rd day of February, 2011, in connection with the Town of Paden City Sewer Revenue Bonds, Series 2011 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$1,715,000, and bearing interest at the rate of 4.125% per annum (the "Series 2011 A Bonds") 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 Series 2011 A Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to the Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on January 3, 2011, as supplemented by Supplemental Resolution duly adopted by the Issuer on January 24, 2011 authorizing issuance of the Bond (collectively, 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 Series 2011 A Bonds are being issued on this date to permanently finance a portion of the cost of acquisition and construction of the Project located within the boundaries of the Issuer and to pay costs of issuance thereof.

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 Series 2011 A Bonds 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 Series 2011 A Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Series 2011 A Bonds, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any moneys or security thereof; 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 sewerage system of the Issuer (the sewerage system, 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 Series 2011 A Bonds; 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 Series 2011 A Bonds 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.

The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia dated October 18, 2010 which became a Final Order on November 7, 2010 in Case No. 10-0543-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, and approving the financing for the Project. The time for appeal of the Commission Orders have expired prior to the date hereof. Such Order remains in full force and effect.

The Issuer enacted sewer rates and charges for the System on March 6, 2006. The time for appeal of such rates has expired prior to the date hereof without any timely appeals having been filed.

4. PUBLICATION AND NO PROTEST: Notice of public hearing upon the Bond Ordinance as supplemented, 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 following the public hearing thereon 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.

The Issuer has outstanding its Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$536,426 (the "Series 1987 A Bonds"), and Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$131,574 (the "Series 1987 B Bonds"), (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by a lien on the Net Revenues (as hereinafter defined) of the System.

The Series 2011 A Bonds shall be issued on a parity with the Series 1987 A Bonds and senior and prior to the Series 1987 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects.

The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; (ii) the written consent of the Holders of the Series 1987 A Bonds to the issuance of the Series 2011 A Bonds on a parity with the Series 1987 A Bonds; and (iii) the written consent of the Holders of the Series 1987 B Bonds to the issuance of the Series 2011 A Bonds on a senior and prior basis to the series 1987 B Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

The Issuer is 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 parity bonds or has obtained a sufficient and valid consent or waiver thereof.

6. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Series 2011 A Bonds 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 Series 2011 A Bonds 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.

Bond Ordinance

Prior Bond Ordinance

Consent of West Virginia Water Development Authority

Public Service Commission Order

United States Department of Agriculture Loan Resolution

Specimen Series 2011 A Bond

Town Charter

Oaths of Office of Officers and Council Members

---

Resolution on Open Governmental Proceedings

Sewer Rate Ordinance

Affidavit of Publication on Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Petition of Sanitary Board

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture Letter of Conditions

Receipt of Depository Bank

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
William Fox, Mayor	July 1, 2010	June 30, 2012
Ginger Wilcox, Recorder	January 24, 2011	June 30, 2011
Eileen Smittle, Councilmember	July 1, 2009	June 30, 2011
Glen Casteel, Councilmember	July 1, 2010	June 30, 2012
Larry Potts, Councilmember	July 1, 2010	June 30, 2012
Richard Wright, Jr., Councilmember	July 1, 2009	June 30, 2011
Tom Trader, Councilmember	July 1, 2010	June 30, 2012

The duly elected or appointed officers of the Sanitary Board for 2011 are as follows:

John Hopkins  
Fred Ferrebee  
Mike Efaw, P.E.

---

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 Series 2011 A Bonds were 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 Series 2011 A Bonds 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 Series 2011 A Bonds, the amount of \$128,650 was received by the undersigned Mayor, being a portion of the principal amount of the Series 2011 A, the balance to be paid as acquisition and construction of the Project progresses.

The Series 2011 A Bond is dated the date hereof and interest on advances thereon at the rate of 4.125% per annum is payable from the date of each respective advance.

The Series 2011 A Bonds 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 Series 2011 A Bonds.

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 of the Purchaser, as amended, and the Bond Ordinance.

13. CONNECTIONS, ETC.: The Issuer will serve at least 1230 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. 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.

16. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

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

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
<u>William B. Foy</u>	Mayor
<u>Steven L. Wilson</u>	Recorder
<u>Candace G. Flannery</u>	Counsel to Issuer

683590.00002

TOWN OF PADEN CITY

Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Steven M. Newton, Registered Professional Engineer, West Virginia License No. 14389, of Presnell Associates, Inc., DBA Qk4, St. Albans, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements and extensions to the existing sewerage system (the "Project") of the Town of Paden City (the "Issuer"), to be constructed in Wetzel and Tyler Counties, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned revenue bonds 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 3rd day of February, 2011.

Presnell Associates, Inc., DBA Qk4

(SEAL)



  
\_\_\_\_\_  
Steven M. Newton, P.E.  
West Virginia License No. 14389

683590.00002

5387075

City of Paden City - Sewer System Improvements Project  
Final Project Construction Budget

<u>PROJECT COST</u>	<u>RD LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,328,656.95	\$ 1,328,656.95
CONST. CONTINGENCY	\$ 66,500.00	\$ 66,500.00
LAND & RIGHTS	\$ 4,500.00	\$ 4,500.00
LEGAL FEES	\$ 5,000.00	\$ 5,000.00
BOND COUNSEL	\$ 25,000.00	\$ 25,000.00
ACCOUNTING	\$ 3,500.00	\$ 3,500.00
ENGINEERING FEES	\$ 242,300.00	\$ 242,300.00
Basic - \$154,750		
Insp. - \$83,800		
Special - \$3,750		
PERMITS	\$ 7,000.00	\$ 7,000.00
PROJECT CONTG.	\$ 32,543.05	\$ 32,543.05
<b>TOTAL</b>	<b>\$ 1,715,000.00</b>	<b>\$ 1,715,000.00</b>

**Abraham & Company PLLC  
Certified Public Accountants  
400 Morton Avenue  
P.O. Box 248  
Moundsville, WV 26041  
304-845-7914  
Fax # 304-843-1905**

---

February 3, 2011

Town of Paden City  
Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

West Virginia Water Development Authority  
Charleston, West Virginia

Town of Paden City  
Paden City, West Virginia

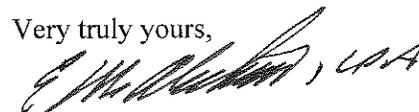
United States Department of Agriculture  
Ripley, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance enacted by The Town of Paden City (the "Issuer") on March 6, 2006 and projected operation and maintenance expenses and anticipated customer usage as furnished to me by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 2011 A (United States Department of Agriculture) issued in the original aggregate principal amount of \$1,715,000 and the Issuer's outstanding: (i) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$536,426, and (ii) Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated April 28, 1987 issued in the original aggregate amount of \$131,574 (the Prior Bonds).

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2011 A Bonds, plus, assuming no future change to financial condition of period reviewed, the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2011 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2011 A Bonds and the Prior Bonds currently outstanding.

Very truly yours,



Abraham & Company, PLLC  
Certified Public Accountants

**CHARTER**  
**OF**  
**PADEN CITY,**  
**WEST VIRGINIA**

---

EDITOR'S NOTE: The Paden City Charter was enacted February 28, 1929. Dates appearing in parentheses following a section heading indicate those provisions were subsequently amended, enacted or repealed on the date given.

---

**TABLE OF CONTENTS**

- Sec. 1. Incorporation.
- Sec. 2. Corporate Boundaries.
- Sec. 3. Wards.
- Sec. 4. Council: Number and Compensation.
- Sec. 5. Council's Powers.
- Sec. 6. Elective Officers.
- Sec. 7. Chief of Police.
- Sec. 8. Mayor's and Recorder's Term. (1-6-77)
- Sec. 9. Terms of Office. (1-6-77)
- Sec. 10. Start of Term. (1-6-77)
- Sec. 11. Election Precincts.
- Sec. 11a. Secret Ballot. (11-4-68)
- Sec. 12. Qualifications of Voters.
- Sec. 13. Municipal Elections.
- Sec. 14. Tie Votes.
- Sec. 15. Contested Elections.
- Sec. 16. Vacancies in Office.
- Sec. 16a. Removal of Officers.
- Sec. 17. Police.
- Sec. 18. Bond and Oath of Officers.
- Sec. 19. Ineligibility for Office.
- Sec. 20. General Powers of the Mayor.
- Sec. 21. Duties of Recorder.
- Sec. 22. Quorum.
- Sec. 23. Minute Books.
- Sec. 24. Reading of Minutes.
- Sec. 25. Mayor's Vote.

- 
- Sec. 26. Notice of Council Meetings.
  - Sec. 27. Disbursement of Funds.
  - Sec. 28. Recorder as Treasurer and Assessor.
  - Sec. 29. General Powers of Council.
  - Sec. 30. Landings, Wharves and Docks.
  - Sec. 30a. Municipal Light Plant.
  - Sec. 31. Eminent Domain.
  - Sec. 31a. Legal Counsel.
  - Sec. 32. Street Labor.
  - Sec. 33. Poor Relief.
  - Sec. 34. Board of Health.
  - Sec. 35. Streets.
  - Sec. 36. Assessments.
  - Sec. 37. Tax Liens.
  - Sec. 38. Tax Collector.
  - Sec. 39. Licenses.
  - Sec. 40. State License Laws.
  - Sec. 41. Preservation of Order.
  - Sec. 42. Street Commissioner.
  - Sec. 43. Enforcement of Charter.

**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 distrain 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 Wetzel 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.

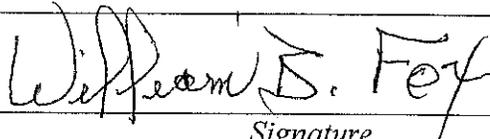


# City of Paden City

208 W. Main Street - P. O. Box 211  
Paden City, WV 26159

## Oath of Office

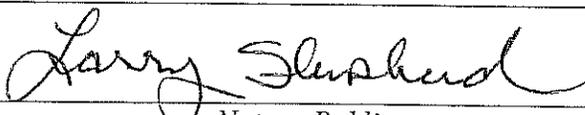
I, William B. Fox, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, the Charter and Ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Mayor of the City of Paden City, West Virginia, so long as I shall continue therein.

  
*Signature*

<b>Term Begins</b>	July 1, 2010
<b>Term Ends</b>	June 30, 2012

Subscribed and sworn before me this 30<sup>th</sup> day of JUNE, 2010

My commission expires NOV 25, 2013

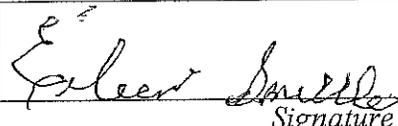
  
*Notary Public*

# City of Paden City

208 W. Main Street - P. O. Box 211  
Paden City, WV 26159

## Oath of Office

I, Eileen Smittle, 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 Councilperson of the City of Paden City, West Virginia, so long as I shall continue therein.

  
Signature

<b>Term Begins</b>	July 1, 2009
<b>Term Ends</b>	June 30, 2011

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009

My commission expires \_\_\_\_\_

\_\_\_\_\_

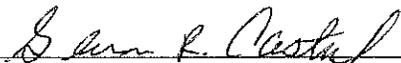
Notary Public

# City of Paden City

208 W. Main Street - P. O. Box 211  
Paden City, WV 26159

## Oath of Office

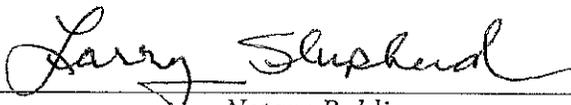
I, Glenn Casteel, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, the Charter and Ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as 1<sup>st</sup> Ward Council Member of the City of Paden City, West Virginia, so long as I shall continue therein.

  
Signature

Term Begins	July 1, 2010
Term Ends	June 30, 2012

Subscribed and sworn before me this 30<sup>th</sup> day of JUNE, 2010

My commission expires NOV 25, 2013

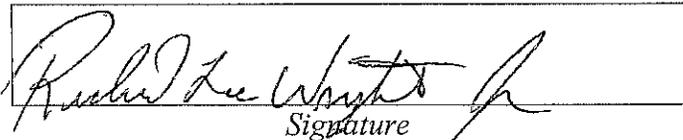
  
Notary Public

# City of Paden City

208 W. Main Street - P. O. Box 211  
Paden City, WV 26159

## Oath of Office

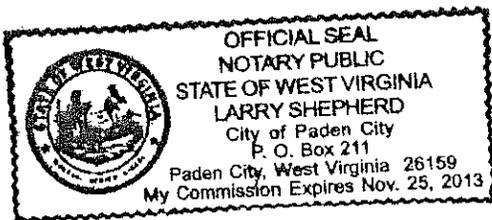
I, Richard Wright Jr., do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, the Charter and Ordinances of the City of Paden City, and that I will truly, faithfully and impartially, to the best of my ability, discharge the duties of my office as Councilperson of the City of Paden City, West Virginia, so long as I shall continue therein.

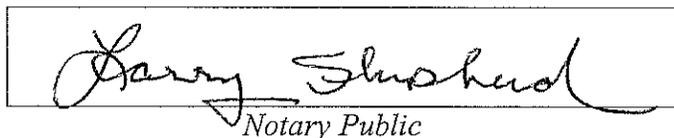
  
Signature

Term Begins	July 1, 2009
Term Ends	June 30, 2011

Subscribed and sworn before me this 6th day of July, 2009

My commission expires Nov 25, 2013



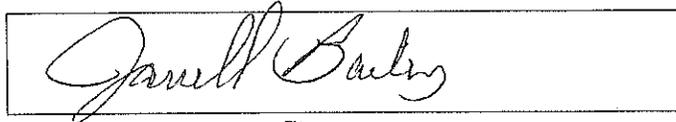
  
Notary Public

# City of Paden City

208 W. Main Street - P. O. Box 211  
Paden City, WV 26159

## Oath of Office

I, Jarrell Bailey, 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 Councilperson of the City of Paden City, West Virginia, so long as I shall continue therein.

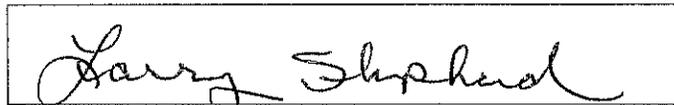
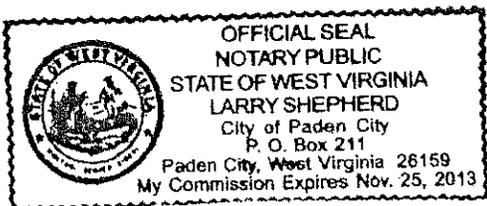


*Signature*

<b>Term Begins</b>	July 1, 2009
<b>Term Ends</b>	June 30, 2011

Subscribed and sworn before me this 29<sup>th</sup> day of June, 2009

My commission expires NOV 25, 2013



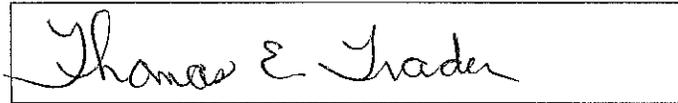
*Notary Public*

# City of Paden City

208 W. Main Street - P. O. Box 211  
Paden City, WV 26159

## Oath of Office

I, Tom Trader, 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 2<sup>nd</sup> Ward Council Member of the City of Paden City, West Virginia, so long as I shall continue therein.

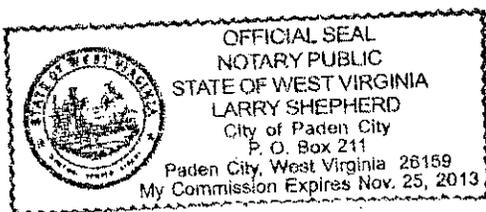


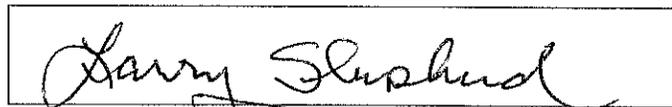
*Signature*

<b>Term Begins</b>	July 1, 2010
<b>Term Ends</b>	June 30, 2012

Subscribed and sworn before me this 2<sup>nd</sup> day of July, 2010

My commission expires Nov 25, 2013





*Notary Public*

# City of Paden City

208 W. Main Street - P. O. Box 211  
Paden City, WV 26159

## Oath of Office

I, Larry Potts, 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 3<sup>rd</sup> Ward Council Member of the City of Paden City, West Virginia, so long as I shall continue therein.

  
Signature

Term Begins	July 1, 2010
Term Ends	June 30, 2012

Subscribed and sworn before me this 30<sup>th</sup> day of JUNE, 2010

My commission expires NOV 25, 2013

  
Notary Public

**ARTICLE 105**  
**Open Meetings**

---

**105.01** Sunshine law regulations.

**CROSS REFERENCES**  
State provisions – see W. Va. Code Art. 6-9A

---

**105.01 SUNSHINE LAW REGULATIONS.**

Council does hereby adopt the following rules to make available, in advance, the time and place of all regularly scheduled meetings of Council, and the time, place and purpose of all special meetings of Council to the public and news media:

- (a) A notice shall be posted by the Recorder at the front door of the City Hall stating the time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. If a particular regularly scheduled meeting is cancelled, a notice of such cancellation shall be posted at the front door of the City Hall.
- (b) A notice shall be posted by the Recorder at the front door of the City Hall at least two days before a special meeting is to be held, stating the time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the front door of the City Hall.

(Passed 8-4-86.)

AN AMENDMENT TO AN ORDINANCE ENTITLED  
"AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY"

AN AMENDMENT OF THE CODIFIED ORDINANCE OF PADEN CITY, WEST VIRGINIA  
ARTICLE 925, ET SEQ

---

CROSS REFERENCE - WEST VIRGINIA CODE 16-13-16

WHEREAS, the City of Paden City, Tyler and Wetzel Counties, West Virginia a West Virginia Municipal Corporation, presently has an ordinance regulating sewer rates dated the 5th day of January, 2004, as recited in the title of this ordinance; and

WHEREAS, the Common Council of the City of Paden City, having been advised by the Sanitary board, that the rate structure for the furnishing of sewer 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 said rate structure in force and to recommend revisions thereto, taking into consideration 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 from sewage service is insufficient to pay the cost associated with improving, operating and properly maintaining the sewage treatment facility and network of sewer 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 of 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 sewage service provided to the aforesaid town and in operating and properly maintaining the sewage treatment facility and the network of sewer 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 sewage service and paying the costs of operating and properly maintaining the sewage treatment facility and the network of sewer lines and equipment, therefore, it is necessary in order to Impose upon the users of such service an 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 sewage treatment facility and the network of sewer 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 ORDINANCE BE ADOPTED AND MADE A PART OF THE CODE OF MUNICIPALITY, to-wit:

EFFECTIVE on the 1st day of May, 2006, the customers of the City of Paden City sewage service shall pay the following rates:

**I. SEWER RATES**

(ARTICLE 925.01 AS AMENDED)

1. Residential - Flat Rate	\$ 28.47 per month
2. Commercial - Flat Rate	32.35 per month
3. Metered Industrial Rate	
1st 5,000 gallons	5.39 per 1,000 gallons
Next 5,000 gallons	4.65 per 1,000 gallons
Next 30,000 gallons	3.59 per 1,000 gallons
Next 30,000 gallons	3.07 per 1,000 gallons
Next 30,000 gallons	2.67 per 1,000 gallons
Next 100,000 gallons	1.77 per 1,000 gallons
Next 200,000 gallons	1.43 per 1,000 gallons

**II. MINIMUM INDUSTRIAL METER CHARGE FOR SEWERS**

(ARTICLE 925.02 AS AMENDED)

5/8 inch meter.....	\$ 24.22
3/4 inch meter.....	34.12
1 inch.....	58.36
2 inch.....	255.03

**III. DELAYED PAYMENT PENALTY; LIEN AND RECOVERY**

(ARTICLE 925.03 AS AMENDED)

All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge so established is not paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building. In accordance with the laws relating thereto: Provided, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges

may be billed as a single amount as individually itemized and billed for the aggregate thereof.

Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of thirty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are full paid.

The board collecting such rates, fees or charges shall be obligated under reasonable rules and regulations, to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities, or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable interest and penalty charges, have been paid in full.

#### IV. SEWER CONNECTION

(ARTICLE 925.04 AS AMENDED)

All connections with, and openings in, any sewer or drain shall be made by persons authorized and approved by the Mayor. A connection fee of Two Hundred Fifty (\$250.00) Dollars will require the utility to furnish and install a sewer tap and a sewer lateral from the sewer main to the edge of the customer's property line. The fee of Two Hundred Fifty (\$250.00) Dollars will be collected at the time of issuing a permit.

#### V. MISCELLANEOUS

The basis and justification of said rates and charges is that current rates are insufficient to operate and maintain the sewage treatment facility and network of sewer lines and equipment.

ANY AND ALL ORDINANCES or administrative regulations inconsistent with the provisions hereto are hereby repealed at the time the increased sewage 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 and reflecting sewer 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 6th day of March 2006.

ATTEST:

CITY OF PADEN CITY

*Lingua L. Wilcox*  
Its Recorder

*[Signature]*  
Its Mayor

First Reading; February 13, 2006

Second Reading; March 6, 2006

SPECIAL COUNCIL MEETING

FEBRUARY 13, 2006

The Paden City Common Council met in special session on Monday, February 13, 2006 at 1:00 p.m. in the council chambers of the municipal building with Mayor Hopkins presiding.

ROLL CALL: Present were: Mayor Hopkins, Recorder Ginger Wilcox, and the following members of council: Tammi Bowers, Cherita Daugherty, Sandra Johnson, Jim Richmond and Mike Turner. Absent was Judy Ferreebee.

ORDINANCE: Mayor Hopkins read an ordinance by title entitled: "AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY."

This ordinance will increase the sewer rates on the residential rate by \$6.97. Motion by Richmond, second Johnson to approve the first reading of this ordinance. Roll call vote taken with Bowers voting "yes"; Daugherty voting "yes"; Johnson voting "yes"; Richmond voting "yes"; and Turner voting "yes". Motion carried.

MINI-PUMPER FIRE TRUCK: Councilman Richmond said that the fire department is going to lease-purchase a new mini-pumper fire truck with a loan of around \$97,000. The 1981 mini-pumper the fire department presently has is taken on every run and needs to be replaced. The Mayor is required to sign the papers as an entity official but the fire department is going to pay for this new truck. The city will have no obligation to pay for this lease-purchase on this new mini-pumper. Motion by Johnson, second Turner that the Mayor sign the proper papers for the fire department. Motion carried.

Motion by Turner, second Richmond to adjourn. Meeting adjourned at 1:10 p.m.

SIGNED: \_\_\_\_\_

ATTEST: \_\_\_\_\_

COUNCIL MEETING  
MARCH 6, 2006

The Paden City Common Council met in regular session on Monday, March 6, 2006, at 7:00 p.m. in the council chambers of the municipal building with acting Mayor Ginger Wilcox presiding.

---

PRAYER: Darrel Goodin, pastor of the St. Paul's United Methodist Church led council in prayer followed by the Pledge of Allegiance to the Flag.

ROLL CALL: Present were Ginger Wilcox, acting Mayor in the absence of Mayor Hopkins, Water Superintendent Clifford Duke, Police Chief Scott Dalrymple, Attorney Carolyn Flannery and the following members of council: Tammi Bowers, Cherita Daugherty, Judy Ferrebee, Sandra Johnson and Mike Turner. Assistant to the Recorder Ramona Kirtley took the minutes,  
Absent were Jim Richmond and Mayor Hopkins.

MINUTES: Motion by Sandra Johnson, second Mike Turner to approve the minutes of the February 6 and February 13 meetings. Motion carried.

CITIZENS: Eileen Smittle addressed council concerning video lottery noting that she had talked with a Legislator who had said that council could adopt an Ordinance limiting video lottery as far as distance, not to be within 2000 feet of each other or near a church, school, day care, etc. She was told that Wheeling, Parkersburg, and Charleston had adopted an Ordinance to this effect. Wilcox stating that these cities had zoning and because Paden City has no zoning, not sure that we could do this. We will look into this matter and see if there is something that the city can do.

Tom Martin then addressed council concerning the shower houses that are being put in the restrooms at the park asking if we were going to increase the rates for the campers due to the fact that hot water heaters will be needed and he also asked about this area being on a septic system and if we might run into problems in this area. Councilperson Johnson noted that at the last park meeting a discussion was held about increasing the rates for the campsites, but due to a lack of a quorum no action could be taken at that time. This matter will be brought up again at the next park meeting which will be held the third Monday of March at 7:00 p.m.

FINANCE: Councilperson Bowers noted that Councilman Richmond had looked over the bills. Motion by Bowers, Second Turner to pay the bills. Motion carried.

Recorder Wilcox noted that the finance committee will be meeting on Friday, March 17 to review the budget for General Fund and Coal Severance. These budgets must be sent to the State by March 27. A special council meeting will need to be held in order to adopt the budgets. Wilcox set the meeting for March 22, 2006 at 2:00 p.m. in the council chambers of the municipal building.

---

WATER: Councilperson Ferrebee said she has talked with Superintendent Duke and everything is running fine. We will be sending out letters to those landlords who own property with more than one dwelling on the property and only one shut off for both dwellings asking that they install the proper number of shut-offs, one for each residence as per PSC requirements. The city has been having some difficulty in this area with one resident not paying their utility bill and the city cannot shut off the water service because of only one shut-off.

STREETS: Councilperson Ferrebee said she had met with the Mayor, Sewage Treatment Plant Operator Joann Yoho and Clifford concerning the streets. At this time the sewer lines are an issue and we cannot specify a street to be paved at this time. Councilman Turner noted that we would like to pave a block at a time, just not a portion. Street Committee is still working on this problem.

FIRE: No report.

POLICE: Councilperson Johnson stated that they had a two hour meeting. We hope to send one of the officers to the academy in May and the other in August. We may end of sending two in May. Johnson stated that the Police Chief is changing the way they are handling the junk cars, mowing letters, etc. An officer has been assigned to each ward and will work with the council members of that Ward in regard to these matters. Stewart has been assigned to Ward 1; Sellers to Ward 2; and Billiter to Ward 3.

CARS, HEALTH AND SANITATION: Recorder Wilcox noted that the Building Enforcement Agency is scheduled to inspect the house at 112 E. Jefferson Street on Friday, 10, 2006 at 5:00 p.m. Dick Mead noted that some of the garbage had been removed and put in the dumpster at the Tasty Freez. Councilman Turner presented council with a petition on this residence signed by citizens living in the area. The citizens felt that this

BURNING SEASON: Motion by Ferreebe, second Daugherty that the burning season Be March 20 thru April 20. Motion carried.

INSURANCE: Wilcox then informed council that the city's insurance policy will expire On June 30, 2006. We need to advertise for bids once again. Motion by Johnson, second Ferreebe that we go out for bids on the city's insurance. Bids will be due back by the May 1 council meeting so a decision can be made. Motion carried.

---

MEETING: The city recorder would like to attend a meeting on April 5 regarding the City's hospitalization insurance. Motion by Daugherty, second Johnson that the Recorder attend this meeting. Motion carried.

RESOLUTION: Wilcox informed council that Charter Communications was changing their Name to Cebridge Acquisition Company. They have asked that the city adopt a resolution Regarding this change in ownership. The city attorney will review the resolution and a copy will be given to each member of council for review. Action will be taken on the resolution at the March 22 special meeting.

VIDEO LOTTERY LICENSE: Council to make a decision as to whether they are going to grant video lottery license to Marsha's Coffee Shop on Main Street in Paden City. Wilcox noted that the State issued the video lottery license. Councilman Turner then asked if a zoning ordinance can be written without a comprehensive zoning plan, citing what Eileen Smittle had mentioned regarding this matter. This was brought up again due to the City attorney not being present when Smittle had addressed council initially. Attorney Flannery stated that she did not believe that an ordinance could be written due to the fact that State Code pre-empts any local regulations at this time.

It was noted that the city had a comprehensive plan drawn up in 1968 on zoning, which at that time cost the city \$80,0000. Zoning is quite costly.

After further discussion the following roll call vote was taken with comments:

Bowers voted – no.

Daugherty voted – yes, commenting that a video lottery place was there previously and there are more pressing issues to deal with in this town.

Ferreebe voted – no, commenting that she had mixed feelings on this; definitely does not want to see them in the residential areas; do feel we have enough. Also realizes it does bring in revenue to the city: noting approximately \$700 a month Ferreebe stated if they

STATE OF WEST VIRGINIA,  
COUNTY OF WETZEL

WETZEL CHRONICLE

2-15, 2-22

NOTICE OF ADOPTION OF PROPOSED ORDINANCE TO RAISE REVENUE

Pursuant to the provision of West Virginia Code 8-11-4, as amended, take notice that the Common Council of the City of Paden City, West Virginia, will, on the 6th day of March, 2006 at 7:00 p.m. in the council chambers located at the Paden City Municipal Building, 208 W. Main Street, Paden City, Wetzel County, West Virginia, consider and take final action upon the adoption of that certain proposed Ordinance, the principal object of which being to raise revenue, entitled:

AN AMENDMENT TO AN ORDINANCE ENTITLED "AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY" ARTICLE 925

The subject matter of the aforesaid ordinance is to increase sewer rates to the users of the City of Paden City's sewer system, effective the 1st day of May, 2006. Copies of the proposed ordinance may be inspected by the public during regular business hours at the Paden City Municipal Building, at the aforesaid address, by contacting Ginger Wilcox, Recorder of the City of Paden City, or Larry Shepherd, Utility Clerk. All interested parties may appear at the aforesaid meeting and be heard with respect to the aforesaid proposed ordinance. Ordinance will increase sewer rates by 32.4%.

Dated this 13th day of February, 2006.

John D. Hopkins, Mayor

I Lisa Northcraft for the publisher of the Wetzel Chronicle newspaper published in the CITY OF NEW MARTINSVILLE, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

2/15/06 + 2/22/06

Given under my hand this 22

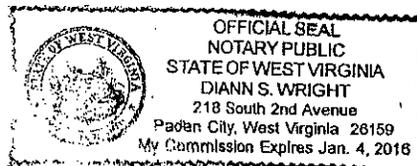
day of February, 2006

Sworn to and subscribed before me this 22 day of February, 2006 at NEW MARTINSVILLE, WETZEL COUNTY, WEST VIRGINIA

Diann S. Wright  
Notary Public

of, in and for WETZEL COUNTY, WEST VIRGINIA.

My Commission Expires January 04-2014



**TYLER STAR NEWS**

Pursuant to the provision of West Virginia Code 8-11-4, as amended, take notice that the Common Council of the City of Paden City, West Virginia, will, on the 6th day of March, 2006 at 7:00 p.m. in the council chambers located at the Paden City Municipal Building, 208 W. Main Street, Paden City, Wetzel County, West Virginia, consider and take final action upon the adoption of that certain proposed Ordinance, the principal object of which being to raise revenue, entitled:

**AN AMENDMENT TO AN ORDINANCE ENTITLED "AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY" ARTICLE 925**

The subject matter of the aforesaid ordinance is to increase sewer rates to the users of the City of Paden City's sewer system, effective the 1st day of May, 2006. Copies of the proposed ordinance may be inspected by the public during regular business hours at the Paden City Municipal Building, at the aforesaid address, by contacting Ginger Wilcox, Recorder of the City of Paden City, or Larry Shepherd, Utility Clerk. All interested parties may appear at the aforesaid meeting and be heard with respect to the aforesaid proposed ordinance. Ordinance will increase sewer rates by 32.4%.

Dated this 13th day of February, 2006.

John D. Hopkins, Mayor  
SN 02-15, 22

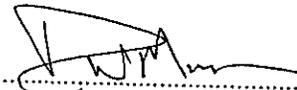
Sistersville, WV February, 2006

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public,

Robert W. Munn who, being duly sworn,

states that he is the 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 15 day of February, 2006 and ending on the 22 day of February, 2006.



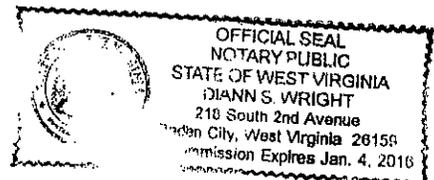
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 22 day of February, 2006.

Diann S. Wright Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....





WETZEL CHRONICLE

2-15, 2-22

NOTICE OF ADOPTION OF PROPOSED ORDINANCE TO RAISE REVENUE

Pursuant to the provision of West Virginia Code 8-11-4, as amended, take notice that the Common Council of the City of Paden City, West Virginia, will, on the 6th day of March, 2006 at 7:00 p.m. in the council chambers located at the Paden City Municipal Building, 208 W. Main Street, Paden City, Wetzel County, West Virginia, consider and take final action upon the adoption of that certain proposed Ordinance, the principal object of which being to raise revenue, entitled:

AN AMENDMENT TO AN ORDINANCE ENTITLED "AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY" ARTICLE 925

The subject matter of the aforesaid ordinance is to increase sewer rates to the users of the City of Paden City's sewer system, effective the 1st day of May, 2006. Copies of the proposed ordinance may be inspected by the public during regular business hours at the Paden City Municipal Building, at the aforesaid address, by contacting Ginger Wilcox, Recorder of the City of Paden City, or Larry Shepherd, Utility Clerk. All interested parties may appear at the aforesaid meeting and be heard with respect to the aforesaid proposed ordinance. Ordinance will increase sewer rates by 32.4%.

Dated this 13th day of February, 2006.

John D. Hopkins, Mayor



NOTICE OF ADOPTION OF PROPOSED ORDINANCE TO RAISE REVENUE

Pursuant to the provision of West Virginia Code 8-11-4, as amended, take notice that the Common Council of the City of Paden City, West Virginia, will, on the 6th day of March, 2006 at 7:00 p.m. in the council chambers located at the Paden City Municipal Building, 208 W. Main Street, Paden City, Wetzel County, West Virginia, consider and take final action upon the adoption of that certain proposed Ordinance, the principal object of which being to raise revenue, entitled:

AN AMENDMENT TO AN ORDINANCE ENTITLED "AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY" ARTICLE 925

The subject matter of the aforesaid ordinance is to increase sewer rates to the users of the City of Paden City's sewer system, effective the 1st day of May, 2006. Copies of the proposed ordinance may be inspected by the public during regular business hours at the Paden City Municipal Building, at the aforesaid address, by contacting Ginger Wilcox, Recorder of the City of Paden City, or Larry Shepherd, Utility Clerk. All interested parties may appear at the aforesaid meeting and be heard with respect to the aforesaid proposed ordinance. Ordinance will increase sewer rates by 32.4%.

Dated this 13th day of February, 2006.

John D. Hopkins, Mayor  
SN 02-15, 22

**WETZEL CHRONICLE**  
*Legals*

**WETZEL CHRONICLE**  
*Legals*

**TYLER STAR NEWS**  
*Legals*

**TYLER STAR NEWS**  
*Legals*

WETZEL CHRONICLE  
2-15, 2-22

NOTICE OF ADOPTION OF PROPOSED ORDINANCE TO RAISE REVENUE

NOTICE OF ADOPTION OF PROPOSED ORDINANCE TO RAISE REVENUE

Pursuant to the provision of West Virginia Code 8-11-4, as amended, take notice that the Common Council of the City of Paden City, West Virginia, will, on the 6th day of March, 2006 at 7:00 p.m. in the council chambers located at the Paden City Municipal Building, 208 W. Main Street, Paden City, Wetzel County, West Virginia, consider and take final action upon the adoption of that certain proposed Ordinance, the principal object of which being to raise revenue, entitled:

AN AMENDMENT TO AN ORDINANCE ENTITLED "AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY" ARTICLE 925

The subject matter of the aforesaid ordinance is to increase sewer rates to the users of the City of Paden City's sewer system, effective the 1st day of May, 2006. Copies of the proposed ordinance may be inspected by the public during regular business hours at the Paden City Municipal Building, at the aforesaid address, by contacting Ginger Wilcox, Recorder of the City of Paden City, or Larry Shepherd, Utility Clerk. All interested parties may appear at the aforesaid meeting and be heard with respect to the aforesaid proposed ordinance. Ordinance will increase sewer rates by 32.4%.

Dated this 13th day of February, 2006.

John D. Hopkins, Mayor

Pursuant to the provision of West Virginia Code 8-11-4, as amended, take notice that the Common Council of the City of Paden City, West Virginia, will, on the 6th day of March, 2006 at 7:00 p.m. in the council chambers located at the Paden City Municipal Building, 208 W. Main Street, Paden City, Wetzel County, West Virginia, consider and take final action upon the adoption of that certain proposed Ordinance, the principal object of which being to raise revenue, entitled:

AN AMENDMENT TO AN ORDINANCE ENTITLED "AN ORDINANCE TO INCREASE SEWER RATES IN THE CITY OF PADEN CITY" ARTICLE 925

The subject matter of the aforesaid ordinance is to increase sewer rates to the users of the City of Paden City's sewer system, effective the 1st day of May, 2006. Copies of the proposed ordinance may be inspected by the public during regular business hours at the Paden City Municipal Building, at the aforesaid address, by contacting Ginger Wilcox, Recorder of the City of Paden City, or Larry Shepherd, Utility Clerk. All interested parties may appear at the aforesaid meeting and be heard with respect to the aforesaid proposed ordinance. Ordinance will increase sewer rates by 32.4%.

Dated this 13th day of February, 2006.

John D. Hopkins, Mayor  
SN 02-15, 22

NOTICE OF PUBLIC HEARING ON THE TOWN OF PADEN CITY BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the Town of Padon City (the "Town") to be held on Monday, January 3, 2011, at 7:00 p.m. at the Town Hall, Padon City, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town 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 SEWERAGE 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 \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2011. A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES, 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.

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 the Ordinance. The proceeds of the Bonds will be used to: (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable from the revenues derived from the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the Town of Padon City on December 6, 2010. A certified copy of the above-entitled Ordinance is on file with the Town for review by interested parties during regular office hours.

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

City of Padon City  
WC-12-22-29 10396

WETZEL CHRONICLE

New Martinsville, WV December 29, 2010

State of West Virginia, County of Wetzel:

Personally appeared before the undersigned, a Notary Public,

Brian Clutter 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 22 day

of December, 2010 and ending on the 29 day

of December, 2010.

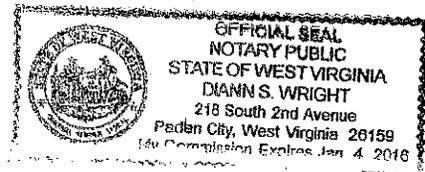
Brian Clutter  
Manager, Wetzel Chronicle

Subscribed and sworn to before me, a Notary Public of said County, on this 29 day of December, 2010.

Diann S. Wright Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....



TYLER STAR NEWS

Legal Notices

Legal Notices

NOTICE OF PUBLIC HEARING ON THE TOWN OF PADEN CITY BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the Town of Paden City (the "Town") to be held on Monday, January 3, 2011, at 7:00 p.m. at the Town Hall, Paden City, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town 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 SEWERAGE 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 \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2011. A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES, 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.

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 the Ordinance. The proceeds of the Bonds will be used to (i) to pay the costs of acquisition and construction of certain additions, better-

Sistersville, WV December 29, 2010

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public,

Brian Clutter who, being duly sworn,

states that he is the 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 22 day

of December, 2010 and ending on the 29 day

of December, 2010.

Brian A Clutter

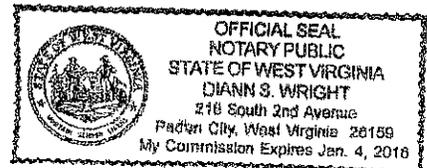
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 29 day of December, 2010.

Diann S. Wright Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....



Legal Notices

ments and improvements to the public sewerage system of the Issuer (the "Project"), and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable from the revenues derived from the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the Town of Paden City on December 6, 2010. A certified copy of the above-entitled Ordinance is on file with the Town for review by interested parties during regular office hours.

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

CITY OF PADEN CITY TSN-12-22-29-262

TOWN OF PADEN CITY

---

Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF  
SUPPLEMENTAL RESOLUTION AND DRAW  
RESOLUTION

The undersigned RECORDER of the Town of Paden City hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Town Council:

\*\*\*

\*\*\*

\*\*\*

The Town Council of the Town of Paden City met in regular session, pursuant to notice duly posted, on the 24th day of January, 2011, in Paden City, West Virginia, at the hour of 7:00 p.m.

PRESENT: William Fox, Mayor  
Ginger Wilcox, Recorder  
Tom Trader, Councilmember  
Eileen Smittle, Councilmember  
Glen Casteel, Councilmember  
Richard Wright, Jr., Councilmember  
Larry Potts, Councilmember  
John Stump, Steptoe & Johnson

William Fox, Mayor, presided. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor then appointed Ginger Wilcox as Recorder. Thereupon, upon motion duly made by Richard Wright and seconded by Tom Trader it was unanimously ordered the appointment as Recorder.

Next, the Mayor then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL  
AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION,  
INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE  
PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES

2010 A OF THE TOWN OF NEWBURG, AND MAKING OTHER  
PROVISIONS AS TO THE BONDS.

---

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Larry Potts and seconded by Glen Casteel, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Tom Trader and seconded by Eileen Smittle, it was unanimously ordered that the said Draw Resolution be adopted.

\*\*\*

\*\*\*

\*\*\*

There being no further business to come before the meeting, on motion duly made by Glen Casteel and seconded by Larry Potts, it was unanimously ordered that the meeting adjourn.

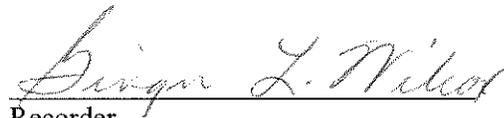
[Remainder of Page Intentionally Blank]

CERTIFICATION

---

I hereby certify that the foregoing is a true copy of the minutes of the Town of Paden City and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 3rd day of February, 2011.

  
Recorder

01.07.11  
683590.00002

## COUNCIL MEETING

JANUARY 3, 2011

The Paden City Common council met in regular session on Monday, January 3, 2011 at 7:00 p.m. in the council chambers of the municipal building with Mayor Bill Fox presiding.

---

**ROLL CALL:** Present were: Mayor Fox, Water Superintendent Clifford Duke, Acting Recorder Tamra Billiter, and the following members of council: Richard Wright, Tom Trader, Larry Potts and Glen Casteel.

**PRAYER:** Citizen Mike Turner led council in prayer followed by the Pledge of Allegiance to the Flag.

**MINUTES:** Minutes of the December 6<sup>th</sup> Regular Council Meeting and December 9<sup>th</sup> Special Council Meeting were read.

**Motion: Glen Casteel**

*Approve Minutes of December 6<sup>th</sup> and 9<sup>th</sup> 2010*

**Second: Richard Wright**

**Action:** Hearing no objection, the **motion carried**

**CITIZENS:** Charlie Racer repeated his questions of last month. The Mayor referred him to city lawyer Carolyn Flannery:

1. Did the council bring in Ginger Wilcox to correct the city books?  
CAROLYN: she was not brought in to correct, simply to help organize. Due to the nature of the recorders position it was necessary to bring in someone familiar with the job.
2. Is it true several bills were delinquent and penalties were applied?  
MAYOR: While that is true, fortunately Ginger has called most of them and explained our situation and up to this point all penalties have been dropped.
3. Have last fiscal year's books '09-'10 been audited and closed?  
MAYOR: the audit for '09-'10 has not been done as of yet. The audit for fiscal year '08-'09 has been completed, the books will be closed and the audit will be available to all citizens to see when it is received from the state. The audit for fiscal years '09-'10 and '10-'11 will more than likely be done at the same time.
4. Does the city have a QUARTERLY BUDGET?  
MAYOR: No we do not, we have an ANNUAL BUDGET

**FINANCE:**

**Motion: Larry Potts**

*Pay the Bills*

**Second: Glen Casteel**

**Action:** Hearing no objection, the **motion carried**

**STREETS:** The trucks were out early this morning cinder hills and intersection.

**POLICE:** N/A

---

**CARS, HEALTH AND SANITATION:** N/A

**BUILDING AND GROUNDS:** N/A

**FIRE:** Calls for December: Structure fires, 2; MVA, 5; EMS assist, 1; Service calls, 0; Mutual Aid, 1; Mutual aid stand-by, 3.

**PARK AND POOL:** N/A

**PADEN CITY FOUNDATION:** N/A

**PADEN CITY ECONOMIC DEVELOPMENT AUTHORITY:** N/A

**OLD BUSINESS:** N/A

**NEW BUSINESS:** Third reading of and action upon a proposed Bond Ordinance providing for the issuance of its Sewer Revenue Bonds, Series 2011 A. (see attached)

**Motion: Tom Trader**  
**Pass Ordinance**

**Second: Richard Wright**

**Action:** Hearing no objection, **motion carried**

After questions and answers were addressed by John Stump of Steptoe and Johnson a new motion was made.

**Motion: Tom Trader**  
**Pass Ordinance**

**Second: Glen Casteel**

**Action:** Hearing no objection, **motion carried**

A resignation letter from Jarrell Bailey was read (see attached)

**Motion: Glen Casteel**  
**Accept resignation of Jarrell Bailey**

**Second: Larry Potts**

**Action:** Hearing no objection, **motion carried.**

A quote from Brown's Electric to install new 100amp 240volt services for holiday lighting on utility poles, including new meter-disconnect, mast, grounding and weatherproof time clocks was discussed. Estimate includes all parts, labor and inspection fees.

**Motion: Glen Casteed**

*Use \$2000.00 of Coal Severance monies to upgrade holiday lighting*

**Second: Larry Potts**

**Action:** Hearing no objection, **motion carried**

**Motion to adjourn was made by Glen Casteel**

Hearing no objection, *motion carried.*

SIGNED: \_\_\_\_\_

ATTEST: *Jama Bulliter*

## COUNCIL MEETING

DECEMBER 6, 2010

The Paden City Common council met in regular session on Monday, December 6, 2010 at 7:00 p.m. in the council chambers of the municipal building with Mayor Bill Fox presiding.

---

**ROLL CALL:** Present were: Mayor Fox, Water Superintendent Clifford Duke, Acting Recorder Tamra Billiter, and the following members of council: Richard Wright, Jarrell Bailey, Eileen Smittle, Tom Trader, Larry Potts and Glen Casteel.

**PRAYER:** Councilman Bailey led council in prayer followed by the Pledge of Allegiance to the Flag.

**MINUTES:** Minutes of the November 1, 2010 will be read and voted on at the next regular council meeting. The minutes were unavailable for approval.

**CITIZENS:** Charlie Racer had questions for council and the Mayor (see attached). The Mayor responded "we have no comment at this time."

Sue Flesher had questions concerning an ordinance pertaining to wood burning heaters and the smoke they produce within city limits. She informed the mayor and council she had contacted the EPA and an inspector would be coming to assess the situation. Mayor Fox replied that was fine, it was her right to do so.

Susan Wade asked council for permission to close street for Labor Day in 2011 as has been done in the past. A motion was made by Councilman Bailey and seconded by Councilman Wright to close the street. Motion carried.

**FINANCE:** Councilman Bailey made a motion to meet on the 7<sup>th</sup> of December to review the bills. Second by Glen Casteel. Motion carried.

**STREETS:** The trucks were out early this morning cindering hills and intersection.

**POLICE:** Durango is up and running, the blue cruiser is running and the white Dodge needs tires.

**CARS, HEALTH AND SANITATION:** N/A

**BUILDING AND GROUNDS:** N/A

**FIRE:** Calls for November: Structure fires, 1; MVA, 2; EMS assist, 3; Service calls, 4; Mutual aid stand-by, 2.

**PARK AND POOL:** N/A

**PADEN CITY FOUNDATION:** N/A

**PADEN CITY ECONOMIC DEVELOPMENT AUTHORITY: N/A**

**OLD BUSINESS: N/A**

**NEW BUSINESS:** Second reading of and action upon a proposed Bond Ordinance providing for the issuance of its Sewer Revenue Bonds, Series 2011 A. ( see attached) Motion Councilman Bailey, second Councilwoman Smittle.

Mayor Fox asked council to consider changing the city election to correspond with the general election which would save the city money and other confusion. It would also mean changing mayor and council terms from 2 years to 4years. It was stated that this would also entail a charter change. The mayor then asked council and the citizens to consider making the recorder's job an appointed job instead of elected. This also would entail a charter change. The citizens present at the meeting were told that this was something that the citizens would vote on if council decided it was something to be pursued. This will all be addressed at a later time.

Councilman Bailey made a motion to hire part-time employee Josh Billiter as a full time maintenance worker, second Councilman Casteel. Motion carried.

A motion was made to give full time employees a \$100.00 and part-time employees a \$50.00 Walmart gift card as a Christmas bonus by Councilman Casteel, second by Councilman Potts. Motion carried.

A motion was made by Councilman Bailey to go into Executive Session at 7:20 p.m.

Council reconvened at 8:15 p.m.

A Special Council Meeting will be held Thursday, December 9, 2010 at 7:00 p.m.

A motion to adjourn was made by Councilwoman Smittle, second by Councilman Bailey. Motion carried.

SIGNED: \_\_\_\_\_

ATTEST: \_\_\_\_\_

## Regular Council Meeting

November 1, 2010

7:00 PM

---

The regular meeting of the Paden City Common Council was held on Monday, 1 November 2010 at 7:00 PM in the Council Chambers of the Municipal Building with Mayor Bill Fox presiding.

### Prayer

Prayer was led by Mayor Fox.

### Roll Call

Jarrell Bailey	
Glenn Casteel	X
Larry Potts	X
Eileen Smittle	X
Tom Trader	X
Richard Wright, Jr	X

### Approve Minutes of 4 October 2010 and 20 October 2010 Meetings

**Motion:** Eileen Smittle

*Approve Minutes of 4 October 2010 & 20 October 2010 Meetings*

**Second:** Glenn Casteel

**Action:** Hearing no objection, the **motion carried**

Jon Baker, owner of Days Gone By Sports Lounge, address council concerning recent complaints from neighbors about his business. Baker thanked Tom Trader for responding to his business to check on details regarding a recent event that caused a disturbance in the neighborhood. Baker further advised that no one from the city had contacted him regarding any complaints prior to this event. He gave a chronological detail of the event in question. Baker advised that someone has committed slander and

defamation of character against him. He further advised that entertainment would only be on the weekends and would end at 11:00PM. Baker seems to feel that his problem has been the result of the city administration.

Tom Trader advised that many of the complaints to the ABCC were unfounded. Chris Bowen advised that she is a close neighbor to the Pub and has no problem with the noise coming from the events. Mayor Fox advised that the council shall be looking into the matter and find a solution to the problem. Fox further advised the he has no axe to grind with the owners of this pub. Baker stated that he does not believe that anyone in the administration has any axe to grind either.

### **Citizens Grievances or Complaints**

Debbie Allen, representing PCES made a recommendation that council elections be adjusted to the state schedule, every two years. This would coincide with the day off from school, thus allowing better details with the Safe Schools Act. Other ideas discussed, were to find another location for city elections.

Kathy Koerber advised that she left Florida this morning and wanted to know why she had to wait one month prior to being told about being served with complaint and summons process regarding Days Gone By. Sgt Henry and Police Clerk Cherita Daugherty both advised that Jon Baker was served within the time frame allowed by city code. Patrolman Mike Owens advised all present of the time frame and details of the process. Owens was the investigating officer during the event in questions. General discussion by multiple audience members ensued; followed by Mayor Fox advising that nothing would be settled this evening regarding this matter and the city will have an ordinance that covers all of these matters at a later date.

Susan Cospers asked if the council has been asked for their opinion. Tom Trader advised that he has been trying to talk to everyone in this detail to determine the scope of the complaints. Larry Potts advised having no problem with the details. Glenn Casteel advised that he would listen to everyone. Eileen Smittle told everyone that she would listen to everyone involved and had not received a phone call. Richard Wright said that the Pub went above and beyond the call of duty in their response to this issue.

### **Finance**

**Motion: Glenn Casteel**  
**Pay bills.**

**Second: Larry Potts**

**Action: Hearing no objection, the motion carried**

### Water & Streets

No report.

### Police & Fire

The Paden City Police Department issued the following summary for the Month of October 2010:

- Assist other departments 6
- Funeral Escorts 1
- Vehicle Lockouts 2
- Tickets issued 52
- Miles patrolled 3,380

### Building, Grounds, Health & Garbage

No report.

### Park and Pool

No report.

### Paden City Foundation

No report.

### Paden City Development Authority

No report.

### New Business

Mayor Fox advised that American Education Week is forthcoming and after a brief discussion, the following was offered:

**Motion:** Eileen Smittle

***Adopt Resolution for American Education Week – Nov 14 to Nov 20***

**Second:** Tom Trader

**Action:** Hearing no objection, the **motion carried**

Mayor Fox also advised that Christian Heritage Week is forthcoming with the following result:

**Motion: Richard Wright**

*Adopt Resolution for Christian Heritage Week Nov 21 to Nov 27*

---

**Second: Larry Potts**

**Action:** Hearing no objection, the **motion carried**

Tim Meeks, of MOVRC addressed council regarding a \$68,000 grant for the Former Grade School and City Hall upgrades for energy cost savings. Low Bid on Contract #1 was \_\_\_\_\_ Low Bid on Contract #2 was \_\_\_\_\_ Low Bid on Contract #3 was \_\_\_\_\_

**Motion: Tom Trader**

*Authorize to issue Notice of Awards for City Bldg and PCDA HVAC Upgrade Project*

**Second: Larry Potts**

**Action:** Hearing no objection, the **motion carried**

Glenn Casteel advised that the need for a handicapped permit appears to not be necessary and therefore be denied. This person has complied with the city ordinance that allows for the handicapped parking spot to be allowed.

**Motion: Glenn Casteel**

*Deny Handicapped Parking Permit for 101 S 1<sup>st</sup> Ave*

**Second: (None)**

**Action:** Hearing no second, the **motion died**

Recorder Larry Shepherd reported that the West Virginia Public Service Commission has given formal approval for the City to receive 2.5 million dollars in loans for the rehabilitation of the sewer collection system in Paden City. Shepherd related that this loan will be repaid over the 38 years with the funds generated by a 2005 sewer rate increase. Approximately a quarter million dollars in interest payments will be saved using the financing arrangement that was approved by the sewer board. Shepherd further related that no additional rate increase will be needed in the foreseeable future to fund this loan. After a brief discussion regarding additional readings and timetables, the

following was offered:

**Motion: Eillen Smittle**

**I<sup>st</sup> Reading "ORDINANCE AUTHORIZING THE ACQUISITION  
AND CONTRUCTION...SEWERAGE FACILITIES...ISSUANCE OF  
...\$2,500,000...PRINCIPAL AMOUNT"**

**Second: Tom Trader**

**Action:** Hearing no objection, the **motion carried**

The discussion regarding a \$1.00 per hour wage increase for Sewer Plant Operator Ed Rail was deferred for consideration and action by the Sanitary Board. All future wage details will be handled by the sanitary board since the board is an independent cover of the city as determined by the West Virginia State Auditor's Office.

#### **Old Business**

No report.

#### **Adjournment**

There being no further business before the Common Council,

**Motion: Eileen Smittle**

**To adjourn**

**Action:** Hearing no objection, the **motion carried** at approximately 8:20PM

**Signed:** \_\_\_\_\_  
William Fox, Mayor

**Attest:** \_\_\_\_\_  
Larry Shepherd, Recorder

## PUBLIC WORKS

The municipality shall prepare an annual report including a balance sheet, income statement, and list of assets of the Waterworks System. Such a report shall be prepared in accordance with the format and system of accounts provided by the West Virginia Public Service Commission.

The municipality shall publish a financial statement of Waterworks System every year as a ~~Class 1 Legal Advertisement~~.

### Article 4 - Sewage Works

#### Section 11-21 Authorization of Sewage Works

This municipality shall have the responsibility for the planning and implementation of a Sewage System for the citizens of the municipality and those other area residents whom the city deems it feasible to serve. This is to be accomplished in keeping with existing State statutes with regard to health and environmental considerations and to be enacted with regard to the health, safety, and public interest of the citizens.

The municipality, in keeping with the statutes of the State of West Virginia may engage in contracts for the purpose of planning, engineering, and construction services for providing sewage service for the residents of this municipality and those other populations to be considered.

#### Section 11-22 Sanitary Board

There is hereby created a Sanitary Board for the City of Paden City. The Sanitary Board shall be appointed by the city council and the members of said Board, upon their appointment, shall qualify by taking the oath of office required of other public officials of the city.

The Sanitary Board shall be composed of the mayor of the City of Paden City and two private citizens of the city appointed, by the city council. During the initial construction period, one of the members must be a registered professional engineer. The engineer member of said Board need not be a resident of this city. No officer or employee of the city shall be eligible to appointment on said Board until at least one year after the expiration of the term of his public office.

The appointment of the original Board shall be for the term of two and three years respectively, and upon the expiration of each term, and each succeeding term thereafter, the appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for the unexpired term in the same manner as the original appointment. The mayor's term shall coincide with his tenure of office.

The Sanitary Board shall have the control over and supervision of the construction, acquisition, improvement, equipment, custody, operation and maintenance of a sewage collection system for the city of Paden City; and in addition thereto, said Board shall be vested with and shall exercise all of the rights and perform all of the duties conferred upon it by the laws of the State of West Virginia.

The mayor shall act as Chairman of the Sanitary Board, which shall select from its members a vice chairman and shall designate a secretary and treasurer (but the secretary and treasurer may be one and the same), who need not be a member or members of the Sanitary Board. The vice chairman, secretary and treasurer shall hold office at the will of the Sanitary Board.

Section 11-23 Rates or Charges; Establishment and Collection

The Sanitary Board shall, from time to time, establish a system of just and equitable rates or charges for the use of and service rendered by the Sewage System. The schedule of rates or charges shall at all times be adequate to produce gross revenues from the Sewage System to pay the expenses of operation, repair and maintenance thereof and leave a balance of net revenues sufficient to make the prescribed payments into the sinking fund. Such schedule shall be changed and readjusted whenever necessary so that the aggregate of the rates or charges will be sufficient for such purposes. However, the implementation of new rates or charges shall be subject to public hearing and approved by the Public Service Commission.

The schedule of rates or charges aforesaid shall apply to all residential, commercial and industrial establishments in any manner directly or indirectly connected with and served by the Sewage System of said city, and any person, firm or corporation being charged the foregoing rates or charges and being dissatisfied therewith by reason of peculiar or unusual use or occupancy of any premises and consequently alleging peculiar or unusual uses or services of said Sewage System may file application with the city for reclassification.

That the rates or charges aforesaid shall be billed to the owners of the premises, provided, that upon application by the tenant of any premises who is not the owner filed with the city recorder-clerk accompanied by appropriate security or indemnity in an amount and of a kind approved by said recorder-clerk, such bills may be rendered to the tenant; provided, further, that the rendering of a bill to a tenant who is not the owner of the premises shall not affect nor impair the lien of the amount of any delinquent bill upon the real property served by the Waterworks, nor shall rendition affect or impair the right of the city to enforce such lien as hereinafter provided.

The rates and charges aforesaid shall be billed monthly and all bills for said services shall be payable within ten days after rendition. If any such bill as aforesaid is not paid within twenty (20) days following the date rendered a delinquency penalty of 10% of the amount of such bill shall attach and be payable in addition to the amount of such bill. If not paid as aforesaid within such twenty day period such charges shall be deemed delinquent. Billing for Sewer service and Water delivered to the same premises may be included in the same bill and collected in the aggregate. The city recorder-clerk or other officer or agent of the city as may be designated from time to time by the city council shall render the bills for Sewage System as aforesaid and the same shall be collected and accounted for in the manner as prescribed by law and the proceedings pursuant to which the bonds of said city have been issued. If any delinquent bill is not paid within thirty days after rendition thereof the lien in the amount of such bill upon the real property served by the Sewage System shall be enforced by the Sanitary Board in a civil action in the name of the municipality to recover the amount due for such services rendered plus a reasonable attorney's fee, but the city shall not discontinue sewer service unless they have first acquired the approval of the Public Service Commission.

Section 11-24 Duty to Connect to Sewer After Notice

Where any public sewer exists along any of the streets or alleys of the city, it shall be the duty of all persons owning buildings accessible thereto, after having received ten (10) days notice from the Mayor, to connect therewith in order that all waste water may be drained into the same.

## PUBLIC WORKS

### Section 11-25 Permit Required For Connection: Manner of Making Connections

No connections shall be made with any public sewer or drain without the written permission of the mayor or in any manner different from the mode prescribed by law or ordinance of the city.

### Section 11-26 Applications for Connection Permits

All applications by any person for permits to connect with or tap any public sewer or drain must be signed by the owner or tenant of the premises for whose benefit the application is made, or his authorized agent or attorney. Applicants must state the location, name of the owner, number of the building to be connected and how occupied.

### Section 11-27 Permit and Bond Required to Connect with Sewer Lines Under City Streets

The council may, at its discretion, and upon the showing of good cause therefor, issue a permit for the purpose of connecting with the sewer lines under any street in the city; or for any other proper purpose, but before doing so, it shall require the person to whom any such permit is issued to deposit a cash bond, or at council's election to execute a good and sufficient surety bond in a sum computed at the rate of Two Dollars per square foot, as a guarantee to said city that the street will be repaired and restored to its former condition. Such bond shall provide for the maintenance of any such repairs for a period of not more than Two years from the day of acceptance of said work and such bond shall be required to cover such required portion and not less than Ten feet square immediately surrounding any opening made for the purpose aforesaid.

### Section 11-28 Only Authorized Persons to Make Connections; Connection Fee

All connections with, and openings in, any sewer or drain shall be made by persons authorized and approved by the mayor. For the work of such connection a fee of \$50 Dollars shall be charged for the use of the city, said sum to be collected at the time of issuing the permit.

### Section 11-29 Obstructing Sewers Or Drains

It shall be unlawful for any person to obstruct the mouth of any sewer or drain or to place, throw or deposit any butcher's offal, garbage, dead animals or obstruction of any kind in any receiving basin or sewer or to cause such obstruction or substance to be placed so as to be carried in any such sewer or basin.

### Section 11-30 Flowing or Draining of Surface Water into Public Sewers Prohibited

It shall be unlawful for any owner, tenant or occupant of any town lot or parcel of land to permit or allow surface water to flow from said lot or parcel of land and drain into the sanitary sewers that have been or may hereafter be constructed by the City of Paden City. It shall be the duty of every owner tenant or occupant, as aforesaid, to provide for the proper drainage of said lot or parcel of land so as to prevent the flow of surface water into any sanitary sewer.

Any violation of this section shall be punished by a fine of not less than \$10.00 Dollars nor more than \$100.00, or by confinement in jail not to exceed 10 days, or by such fine and imprisonment.

## PUBLIC WORKS

If, after receiving reasonable notice, any owner, tenant or occupant fails to prevent or prohibit the surface water from flowing or draining into said sanitary sewer, the city may do so and collect the expense thereof, with one per centum per annum interest thereon added from the date of said notice, from the said owner, tenant, or occupant, by distress or sale, in the same manner in which taxes levied upon real estate for the benefit of said city and the expenses shall remain a lien upon real estate in said city, which lien may be enforced by a suit in equity before any court having jurisdiction, as other liens against real estate are enforced.

In case of non resident owners of real estate such notice may be served upon any tenant, or occupant, or by publication thereof once a week for not less than two consecutive weeks in two newspapers of opposite politics of general circulation in the county.

And in all cases where any tenant or occupant is required to prevent or prohibit the flow or drainage of surface water into sanitary sewers, under the provisions of this section, the expense thereof may be deducted out of the accruing or accrued rent of said property or amount due said owner and said tenant or occupant may recover the amount so paid from the owner, unless otherwise especially agreed upon.

### Section 11-31 Injury to Sewers or Appurtenances

It shall be unlawful for any person to injure, break or remove any portion of any receiving basin, covering plate, main or cover or any part of any sewer or appurtenances thereto.

### Section 11-32 Taps to be Inspected

All taps made on the sanitary sewer shall be inspected by the city's designated inspector. Said inspector is to be present during laying of sewer from the main sewer to the property line. Failure to comply with this section will result in the property owner reopening the ditch for relaying of sewer plus a fine of Five (\$5.00) Dollars and Costs.

### Section 11-33 Penalties for Specific Violations

Any person who shall violate or fail to comply with any of the provisions of Sections 11-24, 11-25, 11-26, 11-28, 11-29 and 11-31 shall, upon conviction, forfeit and pay to the city a fine of not to exceed fifty dollars and the costs of prosecution, or be imprisoned not more than ten days, or be both fined and imprisoned at the discretion of the mayor.

### Section 11-34 System of Accounts; Audits

This municipality shall establish an accounting system based on the system of accounts as provided by the West Virginia Public Service Commission for the Sewage Works. These accounts shall be audited annually and the audit should be made open to the public.

### Section 11-35 Preparation and Publication of Financial Statement

The clerk of the municipality in charge of the accounting for the sewage works shall prepare a monthly income statement to be presented to the mayor and council showing the cash collected and disbursed for the period.

## PUBLIC WORKS

The municipality shall prepare an annual report including a balance sheet, income statement, and list of assets of the sewage works. Such a report shall be prepared in accordance with the format and system of accounts provided by the West Virginia Public Service Commission.

The municipality shall publish a financial statement of the sewage works every year as a Class I Legal Advertisement.

### Article 5 -Solid Wastes

#### Section 11-36 Authorization of Solid Waste Management

In order to protect the public health and the general welfare of the residents of this municipality, the city council may enact and enforce ordinances for the provision of service to collect and dispose of domestic, commercial or industrial solid wastes from units located within the corporate boundaries of this municipality. This section is not to be interpreted in a manner so as to prevent the city council, of this municipality, from entering into a contractual agreement with a private supplier of solid waste collection and/or disposal services. Nor is the above intended to prevent this municipality from entering into an agreement with other governmental jurisdictions at some time in the future. Any agreement flowing out of the authorization of this section will be achieved in a manner consistent with State Requirements with regard to the establishment of rate structures and penalties to the abuse of services.

#### Section 11-37 Disposal

The disposal of refuse in any quantity by any person in any place, public or private, other than at the site or sites designated for refuse disposal by the city council is expressly prohibited.

#### Section 11-38 Operation of Solid Waste Disposal Site

Any operator, whether of a public or private nature, of a solid waste disposal site which is located within the corporate boundaries of this municipality must operate and maintain such a disposal site in such a manner as to qualify the disposal site as a sanitary landfill as defined by the State Health Department and Public Law 94-580 of the United States Code and any rules or regulations adopted pursuant to such legislated authority.

#### Section 11-39 Premises to be Kept Clean

All persons within the municipality are hereby required to keep their premises in a clean and sanitary condition, free from accumulations of refuse except when stored as provided in this chapter.

#### Section 11-40 Location of Containers

Where alleys are used by the refuse collectors, containers shall be placed on or within six (6) feet of the alley line in such a position as not to intrude upon the traveled portion of the alley. Where streets are used by refuse collections, containers shall be placed adjacent to and back of the curb, or adjacent to and back of the ditch or street line if there be no curb, at such times as shall be scheduled for the collection of refuse therefrom. As soon as practicable after such containers have been emptied they shall be removed by the owner within, or to the rear of, his premises and away from the street line until the next scheduled time for collection.

---

AN ORDINANCE TO AMEND ARTICLE 4 OF  
THE MUNICIPAL CODE OF PADEN CITY, WEST VIRGINIA  
REGULATING SEWER USE

## INDEX

<u>ITEM</u>	<u>PAGE</u>
1. Definitions	1
2. General	5
3. Use of Public Sewers Required	6
4. Public Sewers and Extensions	7
5. Application for Service	9
6. Customer Service Lines	12
7. Sewer User Charges	17
8. Billing Procedure	19
9. Liens and Penalties for Nonpayment	19
10. Access to Properties	20
11. Detrimental Wastes	21
12. Admission of Industrial Wastes	25
13. Change in Customer	27
14. Discontinuance of Service	27
15. Refund Agreements	27
16. Protection from Damage	28
17. Penalties	28
18. Validity	29
19. Publication	29
20. Ordinance in Force	30
21. Inconsistent Ordinances and Regulations	30
22. Reading	30

## SEWER USE ORDINANCE

### 1. DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of terms used herein shall be as follows:

- a. "Board." The duly constituted Sanitary Board of the City of Paden City, Wetzel County, West Virginia.
- b. "B.O.D." or "Biochemical Oxygen Demand." The quantity of oxygen expressed in milligrams per liter, utilized in the biochemical oxidation of organic matter under standard laboratory procedures of five (5) days at 20 degrees Centigrade.
- c. "Building drain." That part of the lowest piping of a drainage system which receives the discharge from soil, waste, and other drainage pipes inside the walls of the building and conveys it to the customer's service line, and/or to the lateral sewer.
- d. "City." The City of Paden City, Wetzel/Tyler Counties, West Virginia, as created and established under the laws of State of West Virginia.
- e. "Customer." A customer is a person, corporation, partnership or association and is that party whether owner or tenant, utilizing sewer service furnished by the City to a property.
- f. "Customer service line." The extension from the building drain of any structure to the lateral of a sanitary sewer controlled by the City.

- g. "Garbage." The animal and vegetable waste resulting from the handling, preparation, cooking, and serving of foods.
- h. "Improved property." Any property located within the City upon which there is erected a structure intended for continuous or periodic habitation, occupancy or use by human beings or animals and from which structure sanitary sewage and/or industrial wastes are or may be discharged.
- i. "Industrial waste." Any garbage, refuse, sludge from a waste treatment plant, water supply treatment plant\* or air pollution control facility and other discarded material including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining and agricultural operations, and from community activities, but does not include solid or dissolved material in domestic sewage or solid or dissolved materials in irrigation return flows.
- j. "Lateral." That part of the sewer system extending from a sewer located in the street to the curb line; or, if there shall be no curb line, to the property line; or, if no such lateral shall be provided, the "Lateral" shall mean that portion of, or place in, a sewer which is provided for connection of any customer service line.
- k. "Chairman." The Chairman of Sanitary Board of the City of Paden City, or his authorized deputy, agent, or representative.
- l. "Natural outlet." Any outlet, including storm sewers and combined sewers, which overflows into a water course,

pond, ditch, lake, or other body of surface or ground-water.

- m. "Owner." Any person, corporation, partnership or association vested with ownership, legal or equitable, sole or partial, in any real property.
- n. "Person." Any individual, firm, company, association, society, corporation, partnership or group.
- o. "pH." The reciprocal of the logarithm of the hydrogen ion concentration. The concentration is the weight of hydrogen ions, in grams per liter of solution.
- p. "Right-of-way" or "Easement." An acquired legal right for the specific use of land owned by others.
- q. "Sanitary sewage." Normal water-carried household and toilet wastes from any improved property. The preferred term is wastewater.
- r. "Sanitary sewer." A sewer controlled by the Board that carries liquid and water-carried wastes from residences, commercial buildings, industrial plants and institutions.
- s. "Sewer." Any pipe or conduit that carries wastewater, domestic drainage, sanitary wastes, or industrial wastes.
- t. "Sewer system." All wastewater facilities, owned by the Board, for collecting, pumping, treating and disposing of sanitary sewage or industrial wastes.
- u. "Significant industrial user." Any industrial user that will contribute greater than 10 percent of the design flow or design pollutant loading of the treatment works.

- v. "Single family dwelling." Any room, group of rooms, house trailer or other enclosure occupied or intended for occupancy as separate living quarters by a family or other group of persons living together, or by person living alone.
- w. "Slug." Any discharge of wastewater which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than 15 minutes and is more than 5 times the average twenty-four hour concentration of flows during normal operation and shall adversely affect the collection system and/or performance of the wastewater treatment works.
- x. "Suspended solids." Those solids which are visible and in suspension in the water. Included are the larger floating particles consisting of sand, grit, clay, fecal solids, paper, sticks of wood, particles of food and garbage, and similar materials.
- y. "Wastewater facilities." The structures, equipment, and processes required to collect, carry and treat domestic and industrial wastes and to dispose of the effluent.

2. GENERAL

- a. This sewer use Ordinance has been enacted in compliance with requirements of the United States Environmental Protection Agency (EPA) and the West Virginia Department of Natural Resources (DNR).
- b. In accordance with EPA requirements this Ordinance shall be reviewed by the Board no less often than every two years. Particular items to be included in the review include the wastewater contribution of customers and customer classes and the total cost of operation and maintenance of the wastewater facilities. As a result of the review the Board shall revise the effective rates and charges to accomplish the following.
- (1) Maintain the proportionate distribution of operation and maintenance costs among customers and customer classes;
  - (2) Generate sufficient revenue to pay the total operation and maintenance costs necessary to the proper operation and maintenance (including replacement) of the wastewater facilities; and,
  - (3) Apply excess revenues collected from a class of customers to the costs of operation and maintenance attributable to that class for the next year and adjust rates accordingly.
- c. The Board will notify each user, at least annually, in conjunction with a regular bill, of the rates which are attribu-

table to wastewater facilities services.

3. USE OF PUBLIC SEWERS REQUIRED

- a. It shall be unlawful for any person to place, deposit or permit to be deposited in any unsanitary manner on public or private property within the City, or in any area under the jurisdiction of said City, any human or animal excrement, garbage, or objectionable waste. It shall be unlawful to discharge to any natural outlet or stream within the City, or in any area under the jurisdiction of said City, any wastewater or other polluted waters, except where suitable treatment has been provided in accordance with subsequent provisions of this Ordinance, as well as with applicable regulations of the U.S. Environmental Protection Agency, the West Virginia Department of Natural Resources and the West Virginia Department of Health.
- b. Except as hereinafter provided, it shall be unlawful to construct or maintain any privy, privy vault, sinkhole, septic tank, cesspool, or other facility intended for wastewater disposal or storage on any property which is presently served by a sanitary sewer of the City.
- c. The owners of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purposes, situated within the City and abutting on any street, alley, right-of-way or easement in which there is now located or may hereafter be located a public sanitary sewer of the City, are hereby required at the Owner's

expense to install suitable toilet facilities therein, and to connect such facilities directly with the proper sanitary sewer in accordance with the provisions of this Ordinance. All sanitary sewage and industrial wastes from any property, after connection of such improved property with a sewer shall be conducted into the sanitary sewer, subject to such limitations and restrictions as are established herein or otherwise shall be established by the Board from time to time.

- d. Every privy vault, cesspool, sinkhole, septic tank or similar receptacle in existence shall be abandoned and, at the discretion of the Board, shall be cleansed and filled at the expense of the Owner, and any such receptacle not so abandoned and/or cleansed and filled, shall constitute a public nuisance and such nuisance may be abated as provided by law. Exception: Paden Park area residences with existing septic tank connected to small diameter sewers.

#### 4. PUBLIC SEWERS AND EXTENSIONS

- a. The Board shall be responsible for maintenance and protection of all public sanitary sewers and existing septic tanks in Paden Park area.
- b. All extension of the sanitary sewers shall be approved by the Board and shall comply with applicable rules and regulations of the West Virginia Department of Natural Resources and the West Virginia State Department of

Health.

- c. Any person or agency, public or private, paving or repairing a road under which a sanitary sewer has been laid shall be responsible for adjusting the height of manhole frames and covers to make them flush with the road surface.
- d. Any person or agency, public or private, changing the elevation of the ground surface above a sanitary sewer shall be responsible for adjusting manhole elevations, correcting sewer structural problems, relocation of sewers, and/or making any other changes directed by the Board that shall be required to protect the sewer and provide access to the sewer.

5. APPLICATION FOR SERVICE

- a. It shall be unlawful for any person or property Owner to connect with or tap a City sewer, either directly or indirectly, without first having obtained a permit from the Board, which permit may be secured by complying with the procedure hereinafter set forth.
- b. The procedure for obtaining a permit for connecting with or tapping the City sewer shall be as provided herein. The property Owner desiring connection shall apply to the Board for a permit. The application for such permit shall be in the following form:

City of Paden City  
Sanitary Board  
Paden City, West Virginia

APPLICATION FOR SEWER TAP PERMIT

The undersigned makes application to tap into the sewer system of the City of Paden City.

Lot No. \_\_\_\_\_ Parcel No. \_\_\_\_\_  
House No. \_\_\_\_\_ Street or Road \_\_\_\_\_  
Date of Tap: Day \_\_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_ Hour \_\_\_\_\_  
By: Name \_\_\_\_\_ Address: \_\_\_\_\_

The undersigned property Owner, for and in consideration of the granting of the permission to make said tap, does hereby covenant and agree that (a) he will erect all necessary barricades around the proposed construction and will provide red lights for the same between sun-down and sun-up and will take all other necessary precautions for the protection of the public; (b) he will assume sole responsibility and liability for all claims for injury or damages which may arise or result from said construction; (c) he will save and hold the City of Paden City and

the Board thereof harmless from any and all claims for damages or actions at law or in equity which may arise, either directly or indirectly, out of the making and completing of the construction of the sewer tap or connection applied for; and (d) he will be responsible and liable for any and all damage resulting from said construction; that such liability shall continue for a period of twenty-four months from the date of the final inspection of said work by the duly designated representative of the Board, and that such liability shall include any and all damages or injuries to said street, road, sidewalk, gutter or curb which may appear within a twenty-four months period, as a result of the said work done by applicant, his agents or contractors.

It is further understood that the word "he" shall mean any person, male or female, or any corporation, firm, partnership or association.

Given under my hand and seal, in duplicate, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

The sewer connection or sewer tap permit shall be in the following form:

PERMIT FOR SEWER TAP

Pursuant to application above, approved; Permit No. \_\_\_\_\_  
Dated this \_\_\_\_\_ day of \_\_\_\_\_.

CITY OF PADEN CITY  
SANITARY BOARD  
PADEN CITY, WEST VIRGINIA  
By: \_\_\_\_\_  
Its \_\_\_\_\_

An application for a sewer tap or connection permit shall be executed in duplicate. The original shall be retained by the Board and the duplicate copy shall be delivered to applicant upon the payment by the applicant of the requisite fee.

c. The fee for a sewer tap permit for residential or commercial service shall be one hundred fifty dollars, and the fee for a sewer tap permit for industrial services shall be two hundred dollars; provided, that where any Owner, or his predecessors

in title, of property consisting of two or more lots has extended the required sanitary sewer lines into a subdivision in accordance with the prior written approval of, and inspection by, the Board, and without cost or expense to the Board, the tap or connection fee shall be one hundred fifty dollars for the main connection of the subdivision sewer main to the public sewer main and in addition a sewer permit shall be obtained for each lot in such subdivision as and when sewer taps or connections to serve such lots are made. The fee for each such additional tap or connection shall be one hundred fifty dollars.

- d. There shall be two classes of building sewer permits: (1) For residential and commercial service, and (2) for service to establishments producing industrial wastes. In either case, the Owner or his agent shall make application on the special form furnished by the Board. The permit application shall be supplemented by any plans, specifications or other information considered pertinent in the judgment of the Board. A permit and inspection fee of one hundred fifty dollars for a residential or commercial building sewer permit and two hundred dollars for an industrial building sewer permit shall be paid to the Board at the time the application is filed.
- e. In cases where the Board will transport and treat wastes of users located outside of the City's political jurisdiction, a written agreement between the Board and the political juris-

diction in which such users are located, if there be one, shall be required as a prerequisite for obtaining a sewer connection permit. Such agreement shall provide that the outlying political jurisdiction will institute a system of user charges acceptable to the U.S. Environmental Protection Agency, the West Virginia Department of Natural Resources and the West Virginia Public Service Commission.

6. CUSTOMER SERVICE LINES

- a. No unauthorized person shall uncover, make any connections with, or opening into, use, alter, or disturb any sanitary sewer or appurtenance of the District without first obtaining a written permit from the Chairman.
- b. There shall be two classes of sewer service permits:
  - (a) for residential and commercial service, and (b) for service to establishments producing industrial wastes.In either case, the Owner or his agent shall make application on special form furnished by the Board. The permit application shall be supplemented by any plans, specifications, other information considered pertinent in the judgment of the Board or its Chairman. An adequate and responsible bond shall be required and delivered to the Board for the purpose of repairing and replacing any damage done to any public street or way by reason of such installation of a sewer connection or a sewer before such permit is issued. The Board shall determine the amount of such bond.
- c. All costs and expenses incidental to the installation,

connection and maintenance of the customer services line shall be borne by the Owner. The Owner shall indemnify the Board and the City from any loss or damage that may directly or indirectly be occasioned by the installation of the customer service line, such installation shall be done by a certified plumber or a person approved by the Chairman under whose supervision the installation shall be made.

- d. A separate and independent customer service line shall be provided for every building or series of buildings located on a single parcel of land owned by the applicant. Old building sewers may be used in connection with new customers' service lines only when they are found, on examination by the Chairman, to meet all requirements of this Ordinance.
- e. The slope, alignment, and materials of construction of a customer service line, and the methods to be used in excavating, placing of the pipe, jointing, testing and backfilling the trench, shall all conform to the requirements of the Sanitary Sewer Specifications used by the Board. All customer service lines must be a minimum of 4" diameter and must be of either standard strength vitrified clay pipe provided with ASTM C-425 type special joints, or medium weight ductile iron pipe with O-ring rubber joints, or Class 2400 asbestos-cement pipe, or polyvinyl chloride (PVC) sewer pipe meeting ASTM Spec.

2729. Adequate soil cover to protect the service line from crushing or frost action is required. No customer service line shall be laid in the same trench with any gas and/or water line and must be separated by at least ten feet from any water line. The slope of the customer service line shall be no less than one-eighth inch (1/8") per foot. All excavations for customer service line installation shall be adequately guarded with barricades and lights so as to protect the public from hazard.\* Streets, sidewalks, parkways and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the Board.

- f. The customer service line shall be connected to a sewer at the place designated by the Chairman and shall be made by the Board employees under the supervision of the Chairman. The invert of a customer service line at the point of connection shall be at the same or higher elevation than the invert of the sewer.
- g. No person shall make connection of roof downspouts, foundation drains, areaway drains, or other sources of surface runoff or groundwater to a customer services line or lateral sewer which in turn is connected directly or indirectly to a sanitary sewer. Upon determination that this type of connection has been made, the Board shall cause the Owner to be notified by Certified mail that he shall remove such connections within 30 days. Should the Owner fail to do so, penalties called for

under Section 18, paragraph b of this Ordinance shall be invoked.

- h. Except as otherwise provided in this ordinance, each improved property shall be connected separately and independently with a lateral through an independent customer service line. Grouping of more than one improved property on one customer service line shall not be permitted except under special circumstances and for good sanitary reasons or other good causes shown and then only after special permission of the Chairman as may be prescribed by the Board; provided, however, a single customer service line may be permitted to serve a school, mobile home park, apartment house or other permanent multiple unit property.
- i. Where an improved property, at the time of connection to a public sewer is required, shall be served by its own sewage disposal system or device, the existing sewer line shall be broken on the structure side of such sewage disposal system or device and attachment shall be made, with proper fittings, to continue such sewer line as a customer service line. The Chairman may, at his discretion, permit the utilization of an existing sewer line provided an inspection discloses that it is reasonably true to grade and alignment and in good condition. In case of an existing sewer line utilizing a type of sewer pipe not specified herein, the Chairman shall have the

right to require the Owner to uncover the full extent of the pipe to determine its condition and may require its replacement with approved pipe as outlined herein if the inspection discloses such pipe to be deteriorated in any manner. The cost of replacing the pipe, where necessary, shall be the sole responsibility of the Owner thereof.

- j. No customer service line shall be covered until it has been inspected and approved by the Chairman or his representative. Every customer service line shall be maintained in a sanitary and safe operating condition by the Owner of such improved property.
- k. The applicant for the sewer service permit shall notify the Chairman when the Customer service line is ready for inspection and connection to the public sewer. The connection and testing shall be made by the Chairman or his representative.

7. SEWER USER CHARGES

a. Rates

Sewer user charges, or rates, are imposed upon and shall be collected from the owner of each improved property which shall be connected with the sanitary sewer system, for use of the sewer system, whether such use shall be direct or indirect. The sewer charges shall commence and shall be effective as of the date of connection of each such improved property to the sewer system or within 31 days of availability of the sewer system, whichever is first, and shall be payable as provided herein.

b. The Chairman is authorized to bill the Customer for the cost of services performed at the request of the Customer if the solution to the problem is known or found to be the responsibility of the Customer.

c. Every Owner of improved property which is connected to the sewer system shall provide the Board with and thereafter shall keep the Board advised of his or her correct address. Failure of any person to receive bills for sewer user charges shall not be considered an excuse for nonpayment nor shall such failure result in an extension of the period of time during which the net bill shall be payable.

d. Surcharge for High Strength Users:

Users discharging any water or wastes with a 30 day average BOD in excess of 240 milligrams per liter or a 30 day average suspended solids content in excess of 240 milligrams per liter or containing suspended solids with a

character or quantity of pollutant requiring unusual attention or expenses to handle or treat, shall pay, in addition to the base monthly sewer user charges, an additional surcharge ( $C_s$ ) as determined by the following formula:

$$C_s = B_c(B) + S_c(S) + P_c(P) Vu$$

where

B	=	Concentration of BOD from a user above a base level (240 mg/l)
$B_c$	=	O & M cost for treatment of a unit of biochemical oxygen demand (BOD)
S	=	Concentration of suspended solids from a user above a base level (240 mg/l)
$S_c$	=	O & M cost for treatment of a unit of suspended solids
P	=	Concentration of any pollutant from a user above a base level
$P_c$	=	O & M cost for treatment of a unit of any pollutant
Vu	=	Volume contribution from a user per unit of time

- e. The Board shall review user charges annually and revise them periodically to reflect actual treatment works operation and maintenance cost.

8. BILLING PROCEDURE

- a. All rates or charges provided for by this Ordinance shall be billed and collected monthly by the Board or by persons or agencies authorized by the Board. All bills shall be considered due and payable on or before the tenth day following the date rendered.

9. LIENS AND PENALTIES FOR NONPAYMENT

- a. Sewer user charges or related charges imposed by Ordinance shall be a lien on the improved property connected to and served by the sewer system; and any such sewer user charges or other charges which are delinquent for a period of 30 days shall, together with a penalty of ten percent and a reasonable attorney's fee, be filed as a lien against the improved property and premises so connected to and served by the sewer system, which lien shall be filed in the office of the Clerk of the County Commission of Tyler County and Wetzel County, West Virginia, and shall be collected in the same manner now provided by law for the enforcement of tax liens on real property. Such liens shall be of equal dignity, rank and priority with a lien on such premises for state, county, school, and municipal taxes.
- b. At the discretion of the Board, it may request that the water service to any improved property be shut off for nonpayment of sewer user charges if the bill for sewer user charges is delinquent for a period of 60 days and such owner shall have received 24-hour notice from the

Board of the intention to shut off the water supply, provided such action is not in violation of any rules of the West Virginia Public Service Commission or West Virginia Department of Health. In such event, water service shall not be restored until the Owner of the improved property has paid all delinquent user charges to the Board, plus the then appropriate charge for the re-installment of the water meter and opening of the water service line.

10. ACCESS TO PROPERTIES

- a. The Board and its Chairman shall have the right of access at reasonable times to any part of any improved property served by the sewer system as shall be required for purposes of maintenance, inspection, measurement, sampling and testing and for the performance of other functions relating to service rendered by the Board through the sewer system.
- b. Every employee of the Board whose duties require him to enter the premises of a customer will carry on his person identification as an employee or representative of the Board.
- c. The Chairman and other duly authorized employees are authorized to obtain information concerning industrial processes which have a direct bearing on the kind and source of discharge to the wastewater collection system.
- d. The Chairman or other duly authorized employees of the

Board bearing proper identification shall be permitted to enter all private properties through which the Board holds a duly negotiated easement for the purpose of, but not limited to, inspection, observation, measurements, sampling, repair, and maintenance of any portion of the wastewater facilities lying within said easement. All entry and subsequent work shall be done in full accordance with the terms of the easement pertaining to the private property involved.

11. DETRIMENTAL WASTES

- a. No person shall discharge or cause to be discharged any unpolluted water such as stormwater, groundwater, roof runoff, subsurface drainage, or cooling water to any sewer.
- b. No person shall discharge or cause to be discharged any any of the following described waters or wastes to any public sewer:
  1. Any gasoline, benzene, naptha, fuel oil, or other flammable or explosive liquid, solid, or gas.
  2. Any water or waste with a BOD in excess of 240 milligrams per liter, except as provided for herein.
  3. Any water or waste containing suspended solids in excess of 240 milligrams per liter, except as provided for herein.
  4. Any water containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either

singly or by interaction with other wastes, to injure or interfere with any waste treatment process, constitute a hazard in the receiving waters of the wastewater treatment plant effluent.

5. Any water or waste having pH lower than 6.5 or greater than 8.5 or having any other corrosive property capable of causing damage or hazard to structures, equipment, or personnel of the wastewater works or the public sewers.
  6. Any solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the wastewater facilities such as, but not limited to, gravel, ashes, bones, red dog, sand, mud, coal, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, unground garbage, whole blood, paunch manure, hair and fleshings, entrails, and paper dishes, cups, milk, containers, etc., either whole or ground by garbage grinders.
- c. The following described substances, materials, waters, or waste shall be limited in discharges to the sewer system, to concentrations or quantities which will not harm either the sewers, wastewater treatment process or equipment; will not have an adverse effect on the receiving stream; or will not otherwise endanger lives, limb, public property, or constitute a nuisance. The limitations or restrictions on materials or character-

istics of waste or wastewater discharged to the sewer system which shall not be exceeded by any person without approval of the Chairman are as follows:

1. Wastewater having a temperature higher than 40°C.
2. Wastewater containing more than 25 milligrams per liter of petroleum oil, nonbiodegradable cutting oils, or products of mineral oil origin.
3. Wastewater containing floatable oils, fat, or grease in excess of 30 milligrams per liter.
4. Any garbage that has not been properly shredded with no particle greater than 1/2 inch in any dimension. Garbage grinders may be connected to sanitary sewers only from homes, hotels, institutions, restaurants, hospitals, or similar places where garbage originates from the preparation of food in on-site kitchens for the purpose of consumption on the premises.
5. Any water or waste containing iron, chromium, copper, zinc, mercury, and similar objectionable or toxic substances to such degree that any such material received in the composite wastewater at the wastewater treatment works exceeds the limits established by the Chairman for such materials.
6. Any water or waste containing color-producing or odor-producing substances exceeding limits which may be established by the Chairman.

7. Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Chairman in compliance with applicable state or federal regulations.
  8. Quantities of flow, concentrations, or both which constitute a "slug" as defined herein.
  9. Water or waste containing substances such as synthetic detergents which are not amenable to treatment or reduction by the wastewater treatment processes employed, or are amenable to treatment only to such degree that the wastewater treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.
- d. Grease, oil and sand interceptors shall be provided when, in the opinion of the Chairman, they are necessary for the proper handling of liquid wastes containing grease in excess of amount provided in Paragraph 11.c., or any flammable wastes, sand, and other harmful ingredients; except that such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by the Chairman, and shall be located as to be readily and easily accessible for cleaning and inspection. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of

substantial construction, watertight, and equipped with easily removable covers which when bolted in place shall be gastight and watertight. Where installed, all grease, oil and sand interceptors shall be maintained by the Owner, at his expense, in continuously efficient operation at all times.

- e. No statement contained in this Ordinance shall be construed as preventing any special agreement or arrangement between the Board and any industrial concern whereby an industrial waste of unusual strength or character may be accepted by the Board for treatment.

12. ADMISSION OF INDUSTRIAL WASTES

- a. No person shall discharge or cause to be discharged into the sewer system any industrial wastes except upon application to the Board and upon receipt of a written permit therefor. An industrial waste permit shall be in addition to any other permit required for connection to the sewer system. There is no fee required for an industrial waste permit.
- b. Any person desiring to make or use a connection to the sewer system through which industrial wastes will be discharged into the sewer system shall file with the Board an Industrial Wastes Questionnaire, to be furnished by the Board, which shall supply pertinent data, including estimated quantity, flow characteristics and constituents, with respect to the industrial wastes.

- c. Any person who shall discharge industrial wastes into the sewer system, when required by the Board, shall construct and thereafter properly maintain at his own expense, a suitable and accessible control manhole and other devices as may be approved by the Chairman to facilitate observation, accurate measurement and sampling by the Board of industrial waste discharges.
- d. Any improved property discharging industrial wastes into the sewer system and contemplating a change in the method of operation which will alter the characteristics and/or volumes of wastes at the time being discharged into the sewer system shall notify the Board, in writing, at least sixty (60) days prior to consummation of such change. The Board reserves the right to require improved properties having large variations in rates of waste discharge to install suitable regulating devices for equalizing waste flows to the sewer system.
- e. The Board reserves the right to impose surcharges on sewer user charges and/or impose other requirements in connection with any high strength or industrial waste discharge into the sewer system by agreement with the Owner of the improved property, in accordance with the methods described in this Ordinance, or by modification or alterations to this Ordinance as may be acceptable to the West Virginia Department of Natural Resources and the United States Environmental Protection Agency, and/or require the pretreatment of such industrial waste at the expense of such Owner.

13. CHANGE IN CUSTOMER

Each sewer service permit applicant must give written notice to the Board upon any change in ownership of any improved property. The applicant must give written notice also of any change in tenancy and the applicant shall be liable for any sewer user charges that may accrue prior to the notice of vacation of premises.

14. DISCONTINUANCE OF SERVICE

Any customer desiring discontinuance of sewer service due to the vacancy of his premises shall make application therefor directly to the Chairman. Only premises which are both vacant and have had the water supply shut off for one or more complete monthly billing periods are eligible for exoneration from sewer user charges. No exoneration will be granted for less than one full month. In the case of premises with private water supply facilities, such application shall be supported by an affidavit to the effect that such water supply has been shut off. Application for exoneration must be made at least five (5) days in advance of the beginning of discontinuance of service. In all cases involving water service from the District, such service shall not be restored until the Owner of the improved property has paid the necessary charge for the reinstallation of the water meter and opening of the water service line.

15. REFUND AGREEMENTS

In cases where extensions to the sewer system are con-

structed by a builder or developer at his own expense, or by a group of applicants at their own volition and expense, as outlined in the P.S.C. Rules and Regulations for the operation of sewer utilities, a refund of a portion of the sewer user charges paid by customers occupying dwellings served may be made to the builder, developer or other applicants under the terms of a refund agreement shall be an individual agreement between the interested parties, and shall not be construed as outlining a definite procedure as to percentage of refund or the duration thereof. Each and every separate refund agreement shall be negotiated independently of any other existing similar agreement. In no event shall the terms of any refund agreement exceed ten years in duration.

16. PROTECTION FROM DAMAGE

a. No unauthorized person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance, or equipment which is a part of the City sewage works. Any person violating this provision shall be subject to immediate arrest under charge of disorderly conduct.

17. PENALTIES

a. Any person found to be violating any provision of this Ordinance except Paragraph 17 shall be served by the Board with written notice stating the nature of the violation and providing a reasonable time limit for the

satisfactory correction thereof. The offender shall within the period of time stated in such notice, permanently cease all violations.

- b. Any person who shall continue any violation beyond the time limit provided for in Paragraph "a" shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in an amount not exceeding two hundred dollars (\$200.00) for each violation. Each day in which any such violation shall continue shall be deemed a separate offense.
- c. Any person violating any of the provisions of this Ordinance shall become liable to the Board for any expense, loss or damage occasioned by the Board by reason of such violation.
- d. Fines and costs imposed under provision of the Ordinance shall be enforceable and recoverable in the manner provided by applicable law.

18. VALIDITY

- a. All ordinances or parts of ordinances in conflict herewith are hereby repealed.
- b. The invalidity of a section clause, sentence, or provision of this Ordinance shall not affect the validity of any other part of this Ordinance which can be given effect without such invalid part or parts.

19. PUBLICATION

This Ordinance shall be published in accordance with the provisions of Chapter 8, Article 13, Section 13, of the West

Virginia Code, as amended.

20. ORDINANCE IN FORCE

This Ordinance shall be in full force and effect from and after its passage and publication as provided by law.

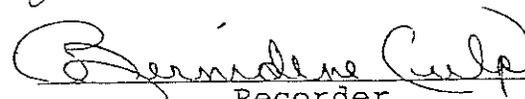
21. INCONSISTENT ORDINANCES AND REGULATIONS

Any and all Ordinances or administrative regulations inconsistent with the provision hereto are hereby repealed at the time hereinabove specified to the extent necessary to give the provisions of this Ordinance full force and effect.

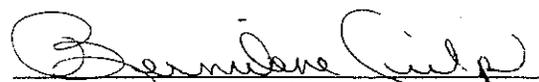
22. READING

This Ordinance was introduced and read for the first time at a regular meeting of the City Council held on the 6th day of January, 1986, and will come for second reading and adoption at the regular meeting of City Council to be held on the 3rd day of February, 1986.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Recorder

Certified to be a true copy from the records of the City of Paden City  
this 17th day of July, 1986.

  
\_\_\_\_\_  
Bernidene Culp, Recorder

TOWN OF PADEN CITY

Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

PETITION OF SANITARY BOARD

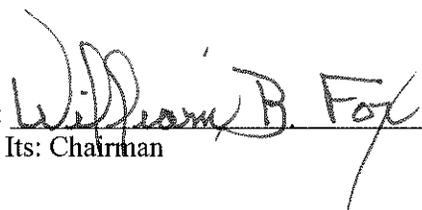
The Sanitary Board of the Town of Paden City (the "Town") hereby petitions the Council of the Town to enact an ordinance directing that sewer revenue bonds of the Town be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$2,500,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Town, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 23rd day of November, 2010.

SANITARY BOARD OF THE TOWN OF PADEN CITY

By: \_\_\_\_\_

Its: Chairman

A handwritten signature in black ink, appearing to read "William B. Fox", is written over a horizontal line. The signature is cursive and somewhat stylized.

**WV MUNICIPAL BOND COMMISSION**

1207 Quarrier Street  
 Suite 401  
 Charleston, WV 25301  
 (304) 558-3971

**NEW ISSUE REPORT FORM**

Date of Report: 3-Feb-11

ISSUE: Town of Paden City  
Sewer Revenue Bonds, Series 2011 A United States Department of Agriculture)

ADDRESS: Box 211, Paden City, West Virginia 26159 COUNTY: Wetzel / Tyler

PURPOSE OF ISSUE:

New Money: x  
 Refunding: \_\_\_\_\_

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 3-Feb-11

CLOSING DATE: 3-Feb-11

ISSUE AMOUNT: \$1,715,000

RATE: \_\_\_\_\_

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE NA

1ST DEBT SERVICE AMOUNT NA

PAYING AGENT: Issuer

BOND COUNSEL:

Firm: Steptoe & Johnson PLLC  
 Contact: John Stump, Esquire  
 Phone: (304) 353.8196

UNDERWRITERS COUNSEL

Firm: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

CLOSING BANK:

Bank: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

ESCROW TRUSTEE:

Firm: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT

Contact: Bill Fox  
 Position: Mayor  
 Phone: 304.337.2295

OTHER:

Agency: United States Department of Agriculture  
 Contact: Virginia McDonald  
 Position: Rural Development Specialist  
 Phone: 304.372.6231 x 4

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. Fun	\$ _____
		_____ To Other:	\$ _____

NOTES: Monthly debt service payments will be made directly to the National Finance Office.  
The Municipal Bond Commission will only hold the Series 2011 A Bonds Reserve Account.  
Payments into the Series 2011 A Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: \_\_\_\_\_  
 TRANSFERS REQUIRED: \_\_\_\_\_  
 \_\_\_\_\_

  
**United States Department of Agriculture**  
**Rural Development**  
Ripley Area Office

January 6, 2011

~~The Honorable William B. Fox  
Mayor, City of Paden City  
PO Box 211  
Paden City WV 26159-0211~~

Re: Wastewater System Improvements Project

Dear Mayor Fox:

The pre-closing for the City's Rural Development (RD) loan will be held on February 1, 2011, at 10:00 AM at City Hall in Paden City, West Virginia. The preconstruction conference will follow at 11:00 AM. The official loan closing date for the Wastewater System Improvements Project will be February 3, 2011.

Reference is made to our Letter of Conditions dated May 17, 2007. 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."

The RD loan of \$1,715,000 will be closed utilizing an interest rate of 4.125 %, resulting in a monthly payment of \$7,461. The first payment will be due on or before March 3, 2011. The City must establish a debt service reserve account at the West Virginia Municipal Bond Commission. This account must be funded on a monthly basis with an amount equal to 10% of the monthly payment until the equivalent of one annual installment on the loan is accumulated.

The following items should be submitted to our office as soon as possible but no later than January 25, 2011:

1. The City's engineer must provide a resume of the proposed inspector(s).
2. The City must provide a letter accepting the proposed inspector(s).
3. The City's accountant must certify that the accounts and records as required by the City's bond ordinance have been established and are operational.
4. The City must provide evidence that it has acquired insurance and bond coverage in accordance with Item 11 of the Letter of Conditions. The City's position fidelity coverage must be increased to at least the amount of the estimated highest monthly construction drawdown. The additional premium for this coverage is an eligible project expense and may be reimbursed from project funds. Once construction is complete, the position fidelity coverage may be decreased to not less than the amount of one annual installment on your Rural Development loans.

530 Freedom Road, Ripley, WV 25271  
Phone: (304) 372-6231 Ext. 4 • Fax: (304) 372-6856 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, or call (800)795-3272 (voice) or (202) 720-6382 (TDD)

5. The City must furnish evidence that it provides State Workers' Compensation Insurance. A certificate of good standing will be satisfactory.
6. An advance copy of the first drawdown. Please make sure that requested payments do not exceed the amounts in the various professional agreements as approved by RD.
7. The West Virginia Department of Highways permit. The City should proceed to obtain the necessary bond and forward same to the WVDOH requesting the permit be issued. At the very latest, this permit must be available on January 25, 2011. Failure to have the DOH permit by this date will result in the cancelation of the loan closing until such time as it becomes available.

On the day of pre-closing, the following documents must be provided:

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 February 3, 2011.
2. The City's attorney must furnish a Form RD 1927-10 "Final Title Opinion," on all property being acquired and for all existing property owned by the City in connection with the sewer system. A single final title opinion may be provided if it includes an attachment which adequately addresses each of the parcels identified in the preliminary title opinions. The opinion should be dated February 3, 2011.

If you have any questions regarding these or any other matters pertaining to your loan, please contact our office at your earliest convenience.

Sincerely,



VIRGINIA M. McDONALD  
Area Specialist

enclosure

cc: State Director  
ATTN: Community Programs  
Morgantown, WV

Mike Newton, P.E.  
QK4 Engineering  
St. Albans, WV

E. Marc Abraham, CPA  
Abraham & Company, CPAs  
Moundsville, WV

Carolyn G. Flannery, Esquire  
Snyder & Hassig  
New Martinsville, WV

John C. Stump, Esquire  
Steptoe & Johnson LLP  
Charleston, WV

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 Rural Development Instructions, (b) correspondence from OGC, (c) any applicable correspondence from the Administrator's office, (d) RD 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 execute Form RD 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 RD Instructions provided that these Closing Instructions have also been complied with and duly authorized officials of the Applicant have fully executed Form RD 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 RD 400-8, Compliance Review (Pre-loan closing)
5. Environmental Impact. Confirm that a completed and executed Form RD 2006-38, Environmental Justice and Civil Rights Impact Analysis is in the docket. If the Analysis 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 ramifications of any such noncompliance.
7. Specimen Bond(s). Prior to closing, confirm that the terms of the specimen bond(s) are consistent with RD Instructions, the RD Letter of Conditions and other obligating documents. Amortization schedules and maturity dates should be checked very carefully.
8. Certification of Payment. If RD loan proceeds will be used to retire interim indebtedness, the Applicant must provide RD with written statements in accordance with RD Instruction 1942-A, §1942.17(n)(2) [7 C.F.R. §1942.17].

9. Examination of Executed Bond(s). The Area 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 RD Letter of Conditions and the 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/ Rural Development.
  - 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 RD 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 RD 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 RD 1927-10 with any changes necessary to reflect the circumstances of this financing. In the case of utility-type financings, confirm that executed Form RD 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.



**United States Department of Agriculture  
Rural Development  
West Virginia State Office**

May 17, 2007

The Honorable John Hopkins  
Mayor, City of Paden City  
P.O. Box 211  
Paden City, WV 26159

Dear Mayor Hopkins:

This letter, with Attachments 1 through 11 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 \$2,084,000, for a total project cost of \$2,084,000.

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 (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 - RUS Supplemental General Conditions (Engineer Copy)
- Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500  
Phone: (304) 284-4860 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

Attachment No. 8 - Government Auditing Standards (Revision 2003) (Accountant Copy)

Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"

Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"

Attachment No. 11 - Various other RD Forms as identified on Attachment No. 2

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 4.125% interest rate and a monthly amortization factor of .00435, which provides for a monthly payment of \$9,066. 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, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

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 existing sewer 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 1,230 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 sewer 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 Services - 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. EJCDC No. E-510, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.
6. Legal Services - It will be necessary for you to obtain the services of a local attorney. For your convenience RUS "Legal Services Agreement" is enclosed for your use.
7. Accounting Services - It will be necessary for you to 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 loan/grant closing, 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 2003)" (Attachment No. 8), and RUS Bulletins 1780-30 and 1780-31 (Attachment Nos. 9 and 10) 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 \$500,000 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 are 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. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.
  - 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
  - Corps of Engineers
  - Public Land Corporation
10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:
- 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. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to an amount equal to the estimated highest monthly construction drawdown. Once construction is complete, you may decrease the amount

of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. 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:
  - i. EJCDC Document No. C-521, 2002 Edition, “Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price” and EJCDC Document No. C-710, 2002 Edition, “Standard General Conditions of the Construction Contract – Funding Agency Edition” and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
  - ii. “RUS Supplemental General Conditions.”

RUS Bulletin 1780-26, “Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance,” is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

- b. The contract documents must provide, as a minimum, the following insurance:
  - i. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the City 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.
  - ii. 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.

- iii. 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. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.
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 grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

The City will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

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 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"
  - Certification of Compliance
  - Form RD 1942-46, "Letter of Intent to Meet Conditions"

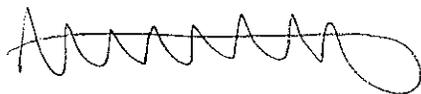
16. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan docket. All the items listed must be included in the loan docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be 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 would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) 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 twelve-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,



ROBERT M. STEPTOE, III  
State Director

Enclosures

cc: Rural Development Specialist  
Parkersburg, WV

QK4 Engineering  
St. Albans, WV

Abraham & Company, CPA  
Moundsville, WV

Bond Counsel

Snyder & Hassig Law Offices  
New Martinsville, WV

Project Construction Budget

<u>PROJECT COST</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,539,226	\$ 1,539,226
CONST. CONTINGENCY	\$ 218,974	\$ 218,974
LAND & RIGHTS	\$ 4,500	\$ 4,500
LEGAL FEES	\$ 5,000	\$ 5,000
BOND COUNSEL	\$ 25,000	\$ 25,000
ACCOUNTING	\$ 3,500	\$ 3,500
ENGINEERING FEES	\$ 242,300	\$ 242,300
Basic - \$154,750		
Insp. - \$83,800		
Special - \$3,750		
PERMITS	\$ 7,000	\$ 7,000
PROJECT CONTG.	\$ 38,500	\$ 38,500
<b>TOTAL</b>	<b>\$ 2,084,000</b>	<b>\$ 2,084,000</b>

Rates

Residential Flat Rate	\$28.47
Commercial Flat Rate	\$32.35

Metered Industrial Rate

First	5,000	gallons @	\$	5.39	per M gallons
Next	5,000	gallons @	\$	4.65	per M gallons
Next	30,000	gallons @	\$	3.59	per M gallons
Next	30,000	gallons @	\$	3.07	per M gallons
Next	30,000	gallons @	\$	2.67	per M gallons
Next	100,000	gallons @	\$	1.77	per M gallons
Next	200,000	gallons @	\$	1.43	per M gallons

Minimum Charge - Industrial Metered

5/8"	meter	\$	24.22	per month
3/4"	meter	\$	34.12	per month
1"	meter	\$	58.36	per month
2"	meter	\$	255.03	per month

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

\$250.00

---

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

CITY OF PADEN CITY  
 USE AND INCOME ANALYSIS  
 EXISTING SYSTEM - METERED INDUSTRIAL

5/8"

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 5,000	Next 5,000	Next 30,000	Next 30,000	Next 30,000	Next 100,000	Over 200,000	TOTAL REVENUE
0 - 5,000	1	1.26	1								
5,001 - 10,000											
10,001 - 40,000	1	13.71		5.00	5.00	3.71					
40,001 - 70,000											
70,001 - 100,000											
100,001 - 200,000											
Over 200,000											
Monthly Total	2	14.97	1.00	5.00	5.00	3.71	0.00	0.00	0.00	0.00	
Proposed Rates			\$ 24.22	\$ 5.39	\$ 4.65	\$ 3.59	\$ 3.07	\$ 2.67	\$ 1.77	\$ 1.43	
Monthly Revenues			\$ 24.22	\$ 26.95	\$ 23.25	\$ 13.32	\$ -	\$ -	\$ -	\$ -	\$ 87.74
Annual Revenues			\$ 290.64	\$ 323.40	\$ 279.00	\$ 159.83	\$ -	\$ -	\$ -	\$ -	\$ 1,052.87

Correction Factor      1.742551  
 Adjusted Annual Revenues \$      1,834.67

CITY OF PADEN CITY  
 USE AND INCOME ANALYSIS  
 EXISTING SYSTEM - METERED COMMERCIAL

Blocking	Cust.	Gal/ Mo.	5/8" Minimum Bills	1" Minimum Bills	2" Minimum Bills	First 5,000	Next 5,000	Next 30,000	Next 30,000	Next 100,000	Next 200,000	Over 200,000	TOTAL REVENUE
0 - 5,000	1	0.73		1									
5,001 - 10,000													
10,001 - 40,000	3	52.53				5.00	5.00	30.00	12.53				
40,001 - 70,000	2	85.45				5.00	5.00	30.00	30.00	15.45			
70,001 - 100,000													
100,001 - 200,000													
Over 200,000													

Monthly Total	6	138.71	0.00	1.00	0.00	10.00	10.00	60.00	30.00	15.45	0.00	0.00	
---------------	---	--------	------	------	------	-------	-------	-------	-------	-------	------	------	--

Proposed Rates			\$24.22	\$ 58.36	\$ 255.03	\$ 5.39	\$ 4.65	\$ 3.59	\$ 3.07	\$ 2.67	\$ 1.77	\$ 1.43	
----------------	--	--	---------	----------	-----------	---------	---------	---------	---------	---------	---------	---------	--

Monthly Revenues			\$ -	\$ 58.36	\$ -	\$ 53.90	\$ 46.50	\$ 215.40	\$ 92.10	\$ 41.25	\$ -	\$ -	\$ 507.51
------------------	--	--	------	----------	------	----------	----------	-----------	----------	----------	------	------	-----------

Annual Revenues			\$ -	\$ 700.32	\$ -	\$ 646.80	\$ 558.00	\$ 2,584.80	\$ 1,105.20	\$ 495.02	\$ -	\$ -	\$ 6,090.14
-----------------	--	--	------	-----------	------	-----------	-----------	-------------	-------------	-----------	------	------	-------------

Correction Factor      2.516809  
 Adjusted Annual Revenue \$    15,327.71

**CITY OF PADEN CITY  
NON-METERED CUSTOMERS**

<b>Classification</b>	<b>No. Users</b>	<b>Rate</b>	<b>Monthly Revenue</b>	<b>Annual Revenue</b>
Residential	1,146	\$28.47	\$32,626.62	\$391,519.44
Commercial	53	\$32.35	\$1,714.55	\$20,574.60
Industrial	3	\$61.05	\$183.15	\$2,197.80
Prorated Residential	20		\$265.02	\$3,180.24
<b>Total</b>	<b>1,222</b>		<b>\$34,789.34</b>	<b>\$417,472.08</b>

**Summary of Revenue Projections**

	<b>Annual Revenue</b>
Metered Commercial	\$15,327.71
Metered Industrial	\$1,834.67
Non-Metered Customers	\$417,472.08
<b>Annual Revenue</b>	<b>\$434,634.46</b>
Going-Level Correction Factor	0.997337
<b>Going-Level Annual Revenue</b>	<b>\$433,477.03</b>

CITY OF PADEN CITY  
OPERATING BUDGET

OPERATING INCOME

Non-Metered & Metered Sales \$ 433,477  
Penalties \$ 8,577  
Other Income \$ 2,181

TOTAL OPERATING INCOME \$ 444,235

NON OPERATING INCOME

Interest income \$ 3,374

TOTAL NON OPERATING INCOME \$ 3,374

TOTAL INCOME

\$ 447,609

EXPENSES

O & M \$ 255,419  
Taxes \$ 9,069

TOTAL EXPENSES \$ 264,488

INCOME AVAILABLE FOR D/S

\$ 183,121

DEBT SERVICE

Existing Bond P & I \$ 50,021  
Proposed Bond P & I \$ 108,792

TOTAL DEBT SERVICE \$ 158,813

DEBT SERVICE RESERVE

Existing Debt Service Reserve \$ 7,503  
Proposed Debt Service Reserve \$ 10,879

TOTAL DEBT SERVICE RESERVE \$ 18,382

SURPLUS (DEFICIT)

\$ 5,926

DEBT COVERAGE

115%

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

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		Have	3
	DUNS Number	1		Applicant			3
	CAIVRS Number	1		RUS			CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		Have	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		Have	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		Have	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		Have	2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		Have	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1
EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		Have	6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position	
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		Have	5	
	Site Visit		S.I. 1780-2	RUS		Have	3	
	Processing Conference	1	1780.39(a)	RUS		Have	3	
	Environmental Report	2	1794	Applicant		Have	3	
	Environmental Assessment	2	1794	RUS/ Engineer		Have	3	
Exhibit H S.I. 1794-1	Categorical Exclusion	2	1794	RUS		Have	3	
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		Have	6	
	Staff Engineer PER Review	1	1780.33(c)	RUS		Have	3	
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		Have	8	
	Rate Tariff	2	1780.33	Applicant		Have	8	
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		Have	3	
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3	
	Documentation on Service Area	1	1780.11	RUS		Have	3	
	Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	3	1780.41(a)	RUS			1
CPAP Form	Underwriting Information	3	1780.33(h)	Applicant			3
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	Applicant			3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant			5
	Exception for Metering Devices	1	1780.57(m)	Applicant/ RUS			5
	Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

Town of Paden City

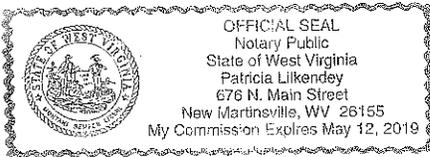
Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of WesBanco Bank, Inc., Paden City, West Virginia (the "Bank"), hereby certify that on February 3, 2011, the Bank received an automated clearinghouse transfer in the amount of \$128,650 for the Series 2011 A Bonds to the credit of the Project Construction Account (Account Number 0192001828).

WITNESS my signature on this 3rd day of February, 2011.

*Patricia Likendey*

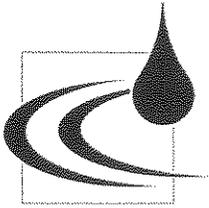


WESBANCO BANK, INC.

By: *Vamara J. Bauer*  
Its: Authorized Officer

683590.00002

5387096



WEST VIRGINIA

**Water Development Authority**

*Celebrating 36 Years of Service 1974 - 2010*

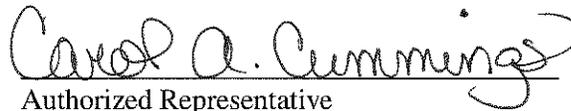
February 3, 2011

Town of Paden City  
Sewer Revenue Bonds, Series 2011 A  
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Abraham & Company the independent certified public accountants, and the opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Series 1987 A Bonds and Series 1987 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2011 A (United States Department of Agriculture), in the original aggregate principal amount of \$1,715,000 (the "Series 2011 A Bonds") by the Town of Paden City (the "Issuer"), under the terms of the bond ordinance authorizing the Series 2011 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$536,426 (the "Series 197 A Bonds") and senior and prior to the Issuer's Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated April 28, 1987, issued in the original aggregate principal amount of \$131,574 (the "Series 1987 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

  
Authorized Representative

**State of West Virginia**  
**OFFICE OF ENVIRONMENTAL HEALTH SERVICES**

CAPITOL and WASHINGTON STREETS

1 DAVIS SQUARE, SUITE 200  
TELEPHONE 304-558-2981

CHARLESTON, WEST VIRGINIA 25301

**PERMIT**

(Sewer)  
**PROJECT:** Sewer System Rehabilitation

**PERMIT NO.:** 17,946

**LOCATION:** Paden City

**COUNTY:** Wetzel

**DATE:** 4-14-2008

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**City of Paden City**  
**P. O. Box 212**  
**Paden City, West Virginia 26159**

is hereby granted approval to: install approximately 2,535 LF of 6", 4,111 LF of 8", 275 LF of 10", 471 LF of 12", 147 LF of 15" and 1,094 LF of 24" sewer line; replace 30 manholes; add eight (8) new manholes; and perform 511 miscellaneous repairs on the existing sewage collection system.

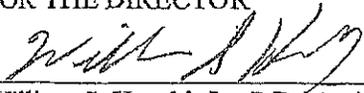
Facilities are being installed to renew and/or rehabilitate portions of the existing City of Paden City sewage collection system in order to alleviate/reduce inflow and infiltration.

**NOTE:** This permit is contingent upon maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be installed above the sewer line.

The Environmental Engineering Division of the OEHS-Wheeling District Office, telephone (304) 238-1145, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

  
William S. Herold, Jr., P.E., Assistant Manager  
Infrastructure and Capacity Development  
Environmental Engineering Division

WSH:emt

pc: /Qk4

Katheryn Emery, P.E., DEP  
James W. Ellars, P.E., PSC-Engineering Division  
Amy Swann, PSC  
Wetzel County Health Department  
OEHS-EED Wheeling District Office

EXHIBIT E

**RESOLUTION OF THE CITY OF PADEN CITY APPROVING INVOICES RELATING TO SERVICES FOR THE WASTEWATER SYSTEM IMPROVEMENT PROJECT AND AUTHORIZING PAYMENT THEREOF,**

**WHEREAS,** the City of Paden City, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the United States Department of Agriculture (USDA) and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

**NOW, THEREFOR, BE IT RESOLVED** the City of Paden City by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	USDA
Steptoe & Johnson	25,000.00	25,000.00
City of Paden City	103,650.00	103,650.00
<b>TOTAL</b>	<b>128,650.00</b>	<b>128,650.00</b>

**ADOPTED BY** the City of Paden City, at the meeting held on the 24th day of January, 2011

City of Paden City

By: William B. Foy

Its: Mayor

\_\_\_\_\_  
USDA

TOWN OF PADEN CITY

SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B

BOND ORDINANCE

Table of Contents

<u>Subject</u>	<u>Page</u>
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01 Authority for this Ordinance	1
Section 1.02 Findings	1
Section 1.03 Bond Legislation Constitutes Contract	3
Section 1.04 Definitions	4
ARTICLE II - AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT	
Section 2.01 Authorization of Construction and Acquisition of the Project	12
ARTICLE III - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT	
Section 3.01 Authorization of Bonds	13
Section 3.02 Terms of Bonds	13
Section 3.03 Execution of Bonds	14
Section 3.04 Authentication and Registration	14
Section 3.05 Negotiability, Transfer and Registration	14
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost	15
Section 3.07 Bonds not to be Indebtedness of the Issuer	16
Section 3.08 Bonds Secured by Pledge of Net Revenues; Series 1987 B Bonds to be Junior and Subordinate to Series 1987 A Bonds	16
Section 3.09 Form of Original Bonds	16
FORM OF SERIES 1987 A BOND	17
FORM OF SERIES 1987 B BOND	24
Section 3.10 Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority	31

<u>Subject</u>	<u>Page</u>
ARTICLE IV - [RESERVED]	32
ARTICLE V - SYSTEM REVENUES AND APPLICATION THEREOF	
Section 5.01    Establishment of Funds and Accounts with Depository Bank	33
Section 5.02    Establishment of Funds and Accounts with Commission	33
Section 5.03    System Revenues; Flow of Funds	33
ARTICLE VI - BOND PROCEEDS; FUNDS AND ACCOUNTS	
Section 6.01    Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	39
Section 6.02    Disbursements from the Bond Construction Trust Fund	39
ARTICLE VII - ADDITIONAL COVENANTS OF THE ISSUER	
Section 7.01    General Covenants of the Issuer	41
Section 7.02    Bonds not to be Indebtedness of the Issuer	41
Section 7.03    Bonds Secured by Pledge of Net Revenues	41
Section 7.04    Initial Schedule of Rates and Charges	41
Section 7.05    Sale of the System	42
Section 7.06    Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	43
Section 7.07    Parity Bonds	43
Section 7.08    Books and Records	46
Section 7.09    Rates	47
Section 7.10    Operating Budget and Audit	47
Section 7.11    No Competing Franchise	48
Section 7.12    Enforcement of Collections	48
Section 7.13    No Free Services	49
Section 7.14    Insurance and Construction Bonds	49
Section 7.15    Mandatory Connections	51
Section 7.16    Completion of Project	51
Section 7.17    Private Activity Bond Covenant	51
Section 7.18    Information Return	51
Section 7.19    Federal Guarantee Prohibition	52
Section 7.20    Compliance with 1958 Ordinance	52
ARTICLE VIII - INVESTMENT OF FUNDS; NON ARBITRAGE	
Section 8.01    Investments	53
Section 8.02    Restrictions as to Arbitrage Bonds	53
Section 8.03    Rebates of Excess Arbitrage Earnings	54

<u>Subject</u>	<u>Page</u>
ARTICLE IX - DEFAULT AND REMEDIES	
Section 9.01    Events of Default	55
Section 9.02    Remedies	55
Section 9.03    Appointment of Receiver	55
ARTICLE X - DEFEASANCE	
Section 10.01  Defeasance of Series 1987 A Bonds	58
Section 10.02  Defeasance of Series 1987 B Bonds	59
ARTICLE XI - MISCELLANEOUS	
Section 11.01  Amendment or Modification of Bond Legislation	60
Section 11.02  Bond Legislation Constitutes Contract	60
Section 11.03  Severability of Invalid Provisions	60
Section 11.04  Headings, Etc.	60
Section 11.05  Amendments to Maintain Tax Exemption	60
Section 11.06  Conflicting Provisions Repealed	61
Section 11.07  Covenant of Due Procedure, Etc.	61
Section 11.08  Effective Date	61
Section 11.09  Statutory Notice and Public Hearing	61
SIGNATURES	62
CERTIFICATION	63
EXHIBIT A	64

04/24/87  
PADCI2-B

TOWN OF PADEN CITY

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE 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 \$675,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, AND NOT MORE THAN \$175,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The Town of Paden City (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Wetzel and Tyler Counties of said State.

B. The Issuer now owns and operates a public sewage treatment, collection and transportation system. However, it is

deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain other additions, betterments and improvements for such existing sewerage facilities of the Issuer (the "Project") which constitute properties for the treatment and collection of liquid or solid wastes, sewage or industrial wastes (the existing system, the Project, and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of \$2,320,760.50, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the 1958 Bonds (as hereinafter defined), the Bonds (as hereinafter defined) and all Sinking Fund, Reserve Account and other payments provided for herein and the 1958 Ordinance (as hereinafter defined).

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than \$850,000 in two series, being the Series 1987 A Bonds in the aggregate principal amount of not more than \$675,000, and the Series 1987 B Bonds in the aggregate principal amount of not more than \$175,000 (collectively, the "Bonds"). Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Bonds prior to and during construction or acquisition and for 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Original Bonds (as hereinafter defined) be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") entered into or to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, and attached hereto as "Exhibit A," and made a part hereof.

G. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds as to lien and source of and security for payment, except the \$232,000 Sewer Revenue Bonds of the Issuer dated November 1, 1958 (the "1958 Bonds"), which will rank prior to the Bonds as to lien and source of security for payment, issued pursuant to an ordinance of the Issuer finally enacted November 17, 1958 (the "1958 Ordinance"). The Series 1987 B Bonds shall be junior and subordinate to the Series 1987 A Bonds as set forth herein.

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 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

I. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year in which the Bonds are to be issued.

J. The Sanitary Board of the Issuer has presented a petition to the Issuer for enactment of the Bond Legislation.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one

Bond of a series and any other Bonds of the same series, or any Bond of a different series issued on a parity with any Bond of another series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

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

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

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

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

"Bonds" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

"1958 Bonds" means the Issuer's Sewer Revenue Bonds dated November 1, 1958, issued in the original aggregate principal amount of \$232,000, now outstanding in the approximate amount of \$91,612.66.

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

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

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

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

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

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

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

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

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

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

"Grant Agreement" means a written commitment for the payment of the EPA Grant or any of the Other Grants, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined, and for the furnishing by the Issuer of miscellaneous service.

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

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

"Issuer" means the Town of Paden City, in Wetzel and Tyler Counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement, attached hereto as a part hereof as Exhibit A, entered into or to be entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which are hereby approved, ratified and confirmed, and the execution and delivery by the Issuer authorized, approved, ratified and confirmed, by, this Ordinance or an ordinance or resolution enacted or adopted by the Issuer prior to the enactment of this Ordinance.

"Mayor" means the Mayor of the Issuer.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"1958 Ordinance" means the ordinance of the Issuer finally enacted November 17, 1958, pursuant to which the 1958 Bonds were issued.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than \$675,000 in aggregate principal amount of Series 1987 A Bonds and the not more than \$175,000 in aggregate principal amount of Series 1987 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Other Grants" means any other grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds or 1958 Bonds and as of any particular date, describes all Bonds or 1958 Bonds theretofore and thereupon being delivered (and authenticated with respect to the Bonds) except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond or 1958 Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be in trust hereunder or under the 1958 Ordinance and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof or any 1958 Bond deemed to have been paid as provided in the 1958 Ordinance; and

(iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

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

"Project" means the acquisition and construction of new sewerage collection facilities and the upgrading of the Issuer's existing primary treatment plant to a secondary treatment plant and all necessary appurtenances.

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such

obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

"Sanitary Board" means the Sanitary Board of the Issuer heretofore established by ordinance duly enacted by the Issuer and any successor to the functions thereof.

"Series 1987 A Bonds" or "Series A Bonds" means the not more than \$675,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 A, of the Issuer.

"Series 1987 A Bonds Reserve Account" means the Series 1987 A Bonds Reserve Account established in the Series 1987 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1987 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1987 A Bonds in any year.

"Series 1987 A Bonds Sinking Fund" means the Series 1987 A Sinking Fund established by Section 5.02 hereof.

"Series 1987 B Bonds" or "Series B Bonds" means the not more than \$175,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 B, of the Issuer.

"Series 1987 B Bonds Reserve Account" means the Series 1987 B Bonds Reserve Account established in the Series 1987 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1987 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1987 B Bonds in any year.

"Series 1987 B Bonds Sinking Fund" means the Series 1987 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

supplemental resolutions authorizing the sale of the Original Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Original Bonds, as the case may be, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations other than obligations secured solely by proceeds of any Grants, if any, of the Issuer, including the Renewal and Replacement Fund and the Reserve Accounts, the proceeds of which such Bonds or other obligations, if any, are to be used to pay Costs of the Project.

"System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Issuer and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

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

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

ARTICLE II

AUTHORIZATION OF CONSTRUCTION  
AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of \$2,320,760.50, 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 Bonds hereby authorized shall be applied as provided in Article VI hereof.

### ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1987 A Bonds to the extent provided in the Supplemental Resolution, funding a reserve account for each series of Bonds to the extent provided in the Supplemental Resolution, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any of such purposes, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than \$850,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1987 A," in the aggregate principal amount of not more than \$675,000, and "Sewer Revenue Bonds, Series 1987 B," in the aggregate principal amount of not more than \$175,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Bonds remaining after funding of the Reserve Accounts and capitalization of interest, if any, shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof; provided, however, Reserve Accounts shall be funded to the extent provided in the Supplemental Resolution by first crediting the Bond Construction Trust Fund with such amounts and thereafter depositing such amounts in the Reserve Accounts.

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

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

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

Subsequent series of Bonds, if any, shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof (except to the extent such subsequent series is issued for the purpose of paying the costs of completion of the Project), all as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

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

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth

below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.

In any case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's

furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 1987 B Bonds to be Junior and Subordinate to Series 1987 A Bonds. The payment of the debt service of all the Series 1987 A Bonds shall be secured forthwith equally and ratably with each other, by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on the Net Revenues securing the 1958 Bonds. The payment of the debt service of all the Series 1987 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the 1958 Bonds and Series 1987 A Bonds. After making all payments required under the 1958 Ordinance, such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1987 A Bond]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF PADEN CITY  
SEWER REVENUE BOND, SERIES 1987 A

No. AR-\_\_\_\_\_

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

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

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning \_\_\_\_\_ 1, 19\_\_\_\_. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated \_\_\_\_\_, 1987.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewage [treatment, collection and transportation] facilities of the Issuer (the "Project"); (ii) [to pay interest on the Bonds of this series] (the "Bonds") during the construction of the Project and for approximately \_\_\_\_\_ months thereafter; (iii) [to fund a reserve account for the Bonds]; and (iv) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on \_\_\_\_\_, 1987, and \_\_\_\_\_, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of \$\_\_\_\_\_, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), which pledge is junior and subordinate in all respects to the pledge of the Net Revenues securing the Issuer's Sewer Revenue Bonds, dated November 1, 1958, issued in the original aggregate principal amount of \$232,000 (the "1958 Bonds"), to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1987 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1987 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with

other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the 1958 Bonds, the Bonds, the Series 1987 B Bonds, and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1987 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, including without limitation the reserve for contingencies in the Sewer Revenue Bond Interest and Sinking Fund established in connection with the 1958 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT FROM SUCH NET REVENUES TO THE 1958 BONDS DESCRIBED HEREIN.

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

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

IN WITNESS WHEREOF, the TOWN OF PADEN CITY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated \_\_\_\_\_, 1987.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: \_\_\_\_\_

KANAWHA VALLEY BANK, NATIONAL  
ASSOCIATION, as Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:  
  
\_\_\_\_\_

[Form of Series 1987 B Bond]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF PADEN CITY  
SEWER REVENUE BOND, SERIES 1987 B

No. BR- \_\_\_\_\_ \$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF PADEN CITY, a municipal corporation of the State of West Virginia in Wetzel and Tyler Counties of said State, (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of \_\_\_\_\_ (\$ \_\_\_\_\_), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated \_\_\_\_\_, 1987.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain new sewage [treatment, collection and transportation] facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds]; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on \_\_\_\_\_, 1987, and \_\_\_\_\_, 1987 (collectively called the "Bond Legislation"), and is subject to all

the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Issuer's Sewer Revenue Bonds dated November 1, 1958, issued in the original principal amount of \$232,000 (the "1958 Bonds") and the Series 1987 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this Series (the "Series 1987 B Bonds Reserve Account"), and unexpended proceeds of the Bonds of this series (the "Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1987 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the 1958 Bonds, the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1987 B Bonds Reserve Account and the reserve account established for the Series 1987 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, including without limitation the reserve for contingencies in the Sewer Revenue Bond Interest and Sinking Fund established in connection with the 1958 Bonds, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively

as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HERewith AND DESCRIBED IN THE BOND LEGISLATION AND THE 1958 BONDS DESCRIBED HEREIN, EXCEPT WITH RESPECT TO THE SERIES 1987 B BONDS RESERVE ACCOUNT.

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

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a

part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the TOWN OF PADEN CITY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated \_\_\_\_\_, 1987.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: \_\_\_\_\_

KANAWHA VALLEY BANK, NATIONAL  
ASSOCIATION, as Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
In the presence of:

\_\_\_\_\_

Section 3.10. Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution is hereby authorized, ratified and approved.

ARTICLE IV

[RESERVED]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with 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;
- (2) Renewal and Replacement Fund; and
- (3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

- (1) Series 1987 A Bonds Sinking Fund;
  - (a) Within the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account.
- (2) Series 1987 B Bonds Sinking Fund;
  - (a) Within the Series 1987 B Bonds Sinking Fund, the Series 1987 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund established in connection with the 1958 Bonds and hereby continued. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided and as provided in the 1958 Ordinance.

(1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.

(2) The Issuer shall next, each month, from the moneys remaining in the Revenue Fund, make such other disbursements required to be made in connection with the 1958 Bonds, pursuant to the 1958 Ordinance.

(3) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1987 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1987 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1987 A Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1987 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(4) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1987 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1987 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1987 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(5) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1987 A Bonds, if not fully funded upon issuance of the Series 1987 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1987 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1987 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1987 A Bonds Reserve Requirement.

(6) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after commencement of operation of the Project, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Series 1987 A Bonds Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1987 A Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account has not, as of the date of determination of a deficiency, funded such account to the maximum extent required by Subsection 5.03(A)(5)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(7) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1987 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1987 B Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1987 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(8) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1987 B Bonds, if not fully funded upon issuance of the Series 1987 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1987 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1987 B Bonds Reserve Account when there shall have been deposited

therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1987 B Bonds Reserve Requirement.

Moneys in the Series 1987 A Bonds Sinking Fund and the Series 1987 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in the Series 1987 A Bonds Reserve Account and the Series 1987 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts shall be returned, not less than once each year, by the Commission to the Issuer, for deposit in the Revenue Fund, and such amounts shall be applied in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1987 A Bonds Reserve Account which result in a reduction in the balance of the Series 1987 A Bonds Reserve Account to below the Series 1987 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1987 A Bonds Sinking Fund for payment of debt service on the Bonds have been made in full.

Any withdrawals from the Series 1987 B Bonds Reserve Account which result in a reduction in the balance of the Series 1987 B Bonds Reserve Account to below the Series 1987 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account, the Renewal and Replacement Fund and the Series 1987 B Bonds Sinking Fund have been made in full.

As and when additional Bonds ranking on a parity with the Series 1987 B Bonds are issued, provision shall be made for additional payments into the Series 1987 B Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof

at maturity and to accumulate a balance in the Series 1987 B Reserve Account in an amount equal to the maximum provided and required to be paid into the Series 1987 B Sinking Fund in any year for account of all such bonds issued on a parity with the Series 1987 B Bonds, including such additional bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1987 A Bonds Sinking Fund, or the Series 1987 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Sinking Funds shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the

Reserve Accounts therein, and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Depository Bank's charges and the Paying Agent fees then due.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund 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.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

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

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

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

A. From the proceeds of the Series 1987 A Bonds, there shall be deposited with the Commission in the Series 1987 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1987 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1987 A Bonds, there shall be deposited with the Commission in the Series 1987 A Reserve Account and from the proceeds of the Series 1987 B Bonds, there shall be deposited with the Commission in the Series 1987 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts; provided, however, that such amounts shall first be credited to the Bond Construction Trust Fund prior to deposit with the Commission.

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

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1987 A Bonds, and thereafter for the Series 1987 B Bonds.

Section 6.02. Disbursements from the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer, shall be made only after

submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

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

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

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1987 A Bonds Reserve Account, and when fully funded to the Series 1987 B Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1987 A Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, but junior and subordinate to the lien on the Net Revenues securing the 1958 Bonds. Payment of the debt service of the Series 1987 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the 1958 Bonds and the Holders of the Series 1987 A Bonds. After making all payments required under the 1958 Ordinance, the remaining revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial 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 June 19, 1986, and to be re-enacted simultaneously herewith.

Section 7.05. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Ordinance in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at

prices not greater than the par value thereof plus 3% of such par value or otherwise, shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. So long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1987 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1987 A Bonds and the Series 1987 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1987 B Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the Series 1987 A Bonds, unless the Series 1987 B Bonds are no longer outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

- (A) The Bonds then Outstanding;
- (B) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding;
- (C) The Parity Bonds then proposed to be issued; and
- (D) Any other obligations secured by or payable from the Net Revenues prior to the Series B Bonds.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1987 A Bonds and the Series 1987 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1987 A Bonds or the Series 1987 B Bonds.

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

B. Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the 1987 Series A Bonds and 1987 Series B Bonds, respectively.

Section 7.08. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

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

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

B. A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation with respect to said Bonds and the status of all said funds and accounts.

C. The amount of any Bonds or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall file said report with the Authority, or any other original purchaser of the Bonds.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for bonds prior to or on a parity with the Bonds are funded at least at the respective requirements therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 7.10. Operating Budget and Audit. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated expenditures for operation and maintenance

of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Trustee and to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by an independent certified public accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules of the Issuer, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a

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

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(A) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and

Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors, as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof.

(B) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$100,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(C) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County or Counties in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(D) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

(E) BUSINESS INTERRUPTION INSURANCE, to the extent available at a reasonable cost.

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

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. Private Activity Bond Covenant. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended (including any amendments and successor provisions thereto and the rules and regulations thereunder, the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

Section 7.18. Information Return. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, including without limitation, the information return required under Section 149(e) of the Code.

Section 7.19. Federal Guarantee Prohibition. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 7.20. Compliance with 1958 Ordinance. The Issuer covenants and agrees to comply with the terms and conditions of the 1958 Ordinance and to make all payments required thereunder so that the 1958 Bonds will be defeased and paid in accordance with the terms thereof, as soon as practicable; provided, however, that nothing in this Section shall be construed so as to require the Issuer to make payments in advance of the dates actually required under the 1958 Ordinance.

## ARTICLE VIII

### INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

Section 8.02. Restrictions as to Arbitrage Bonds. The Issuer hereby covenants, and hereby so instructs the Bond Commission, the Depository Bank and the Trustee that they shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities, obligations or investment property, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code and an Authorized Officer shall deliver his certificate, based upon this covenant, with regard thereto to the purchaser of the Original Bonds.

Section 8.03. Rebates of Excess Arbitrage Earnings. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year in which the Bonds are to be issued. Therefore, the Issuer believes that it is excepted from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the Issuer is in fact subject to such rebate requirements the Issuer hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of the interest on the Bonds.

## ARTICLE IX

### DEFAULT AND REMEDIES

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

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners, provided however, that all rights and remedies of the Holders of the Series 1987 B Bonds shall be subject to those of the Holders of the Series 1987 A Bonds.

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

for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the 1958 Bonds and the interest thereon and the deposits into the funds and accounts established under the 1958 Ordinance, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1987 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 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 1987 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1987 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1987 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1987 A Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1987 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any

trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1987 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 B Bonds, the principal 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 1987 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on such Series 1987 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1987 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1987 B Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1987 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

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

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

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

Section 11.05. Amendments to Maintain Tax Exemption. The Issuer hereby covenants to make any amendment or supplements to this Ordinance and to the Indenture authorized hereby to enable the interest on the Bonds to be and remain exempt from federal income taxation, and to preserve such tax exemption until the maturity or redemption thereof without further consent of the Holders of the Bonds.

Section 11.06. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided, however, that this Section shall not be applicable to the 1958 Ordinance.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the 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 the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

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

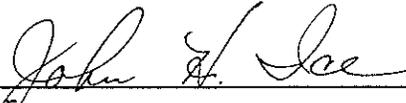
Section 11.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in Tyler Star News and Wetzel Chronicle, qualified newspapers published in the Town of Paden City, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Town Council upon a date certain, not less than ten days subsequent to the date of the first publication of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review

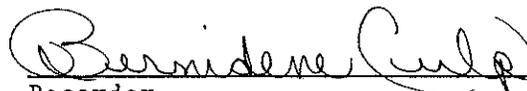
by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading - March 2, 1987

Passed on Second Reading - March 9, 1987

Passed on Final Reading  
Following Public  
Hearing - March 23, 1987

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF PADEN CITY on this 23rd day of March, 1987.

[SEAL]

  
Recorder

04/24/87  
PADCI2-A

"EXHIBIT A"

[Included as Document Nos. 3 and 4 of Bond Transcript]

TOWN OF PADEN CITY

Sewer Revenue Bonds,  
Series 1987 A and Series 1987 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B OF THE TOWN OF PADEN CITY; AUTHORIZING, APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the town council (the "Governing Body") of the Town of Paden City (the "Issuer"), has duly and officially enacted a bond ordinance, effective March 23, 1987 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE 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 \$675,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, AND NOT MORE THAN \$175,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate

principal amount of not to exceed \$850,000, to be issued in two series, the Series 1987 A Bonds to be in an aggregate principal amount of not more than \$675,000 (the "Series 1987 A Bonds") and the Series 1987 B Bonds to be in an aggregate principal amount of not more than \$175,000 (the "Series 1987 B Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 1987 A Bonds dated March 3, 1987, and a supplemental loan agreement relating to the Series 1987 B Bonds, also dated March 3, 1987 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with West Virginia Code, 1931, as amended, Chapter 16, Article 13 (the "Act"); and in the Bond Ordinance it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sales prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued:

(A) The Sewer Revenue Bonds, Series 1987 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$536,426. The Series 1987 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2026, shall bear interest at the rate of 8.38% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1987, shall be subject to

redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1987 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1987 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$131,574. The Series 1987 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2026, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1987 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference.

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

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate Kanawha Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and Kanawha Valley Bank, National Association, in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for the Bonds.

Section 6. The Issuer does hereby appoint The Bank of Paden City, Paden City, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1987 A Bond Proceeds in the amount of \$60,000 shall be deposited in the Series 1987 A Sinking Fund, as capitalized interest.

Section 8. None of the Series 1987 A Bond proceeds and none of the Series 1987 B Bond proceeds will be deposited in the Series 1987 A Bonds Reserve Account and the Series 1987 B Bonds Reserve Account, respectively.

Section 9. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about March 30, 1987, to the Authority pursuant to the Loan Agreement.

Section 10. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance in the West Virginia "Consolidated Fund," and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in the Consolidated Fund.

Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 23rd day of March, 1987.

TOWN OF PADEN CITY

  
\_\_\_\_\_  
Mayor

03/23/87  
PADCI1-E

[SERIES 1987 A SPECIMEN BOND]

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF PADEN CITY  
SEWER REVENUE BOND, SERIES 1987 A

No. AR-1

\$536,426

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF PADEN CITY, a municipal corporation of the State of West Virginia in Wetzel and Tyler Counties of said State, (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of FIVE HUNDRED THIRTY-SIX THOUSAND FOUR HUNDRED TWENTY-SIX DOLLARS (\$536,426), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1987. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated March 3, 1987.

8

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions and improvements to the existing sewage facilities of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this series (the "Bonds") during the construction of the Project; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on March 23, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of \$131,574, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), which pledge is junior and subordinate in all respects to the pledge of the Net Revenues securing the Issuer's Sewer Revenue Bonds, dated November 1, 1958, issued in the original aggregate principal amount of \$232,000 (the "1958 Bonds"), to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1987 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1987 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to

pay the maximum amount due in any year of principal of and interest on the 1958 Bonds, the Bonds, the Series 1987 B Bonds, and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1987 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in any year, and in the reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, including without limitation the reserve for contingencies in the Sewer Revenue Bond Interest and Sinking Fund established in connection with the 1958 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT FROM SUCH NET REVENUES TO THE 1958 BONDS DESCRIBED HEREIN.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have

existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the TOWN OF PADEN CITY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated April 28, 1987.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: April 28, 1987

KANAWHA VALLEY BANK, NATIONAL  
ASSOCIATION, as Registrar

By \_\_\_\_\_  
Its Authorized Officer

## EXHIBIT A

## SCHEDULE OF ANNUAL DEBT SERVICE

PERIOD ENDING	10/1	COUPON PRIN.	INTEREST	SERVICE
1987	8.38		19,104.85	19,104.85
1988	8.38		44,952.58	44,952.58
1989	8.38	2,216	44,952.58	47,168.58
1990	8.38	2,402	44,766.88	47,168.88
1991	8.38	2,603	44,565.59	47,168.59
1992	8.38	2,821	44,347.46	47,168.46
1993	8.38	3,058	44,111.06	47,169.06
1994	8.38	3,314	43,854.60	47,168.90
1995	8.38	3,592	43,577.09	47,169.09
1996	8.38	3,892	43,276.08	47,168.08
1997	8.38	4,219	42,949.93	47,168.93
1998	8.38	4,572	42,596.38	47,168.38
1999	8.38	4,955	42,213.24	47,168.24
2000	8.38	5,371	41,798.02	47,169.02
2001	8.38	5,821	41,347.93	47,168.93
2002	8.38	6,308	40,860.13	47,168.13
2003	8.38	6,837	40,331.52	47,168.52
2004	8.38	7,410	39,758.58	47,168.58
2005	8.38	8,031	39,137.62	47,168.62
2006	8.38	8,704	38,464.62	47,168.62
2007	8.38	9,433	37,735.22	47,168.22
2008	8.38	10,224	36,944.74	47,168.74
2009	8.38	11,061	36,087.97	47,168.97
2010	8.38	12,009	35,159.38	47,168.38
2011	8.38	13,016	34,153.03	47,169.03
2012	8.38	14,106	33,062.28	47,168.28
2013	8.38	15,288	31,880.20	47,168.20
2014	8.38	16,570	30,599.07	47,169.07
2015	8.38	17,958	29,210.50	47,168.50
2016	8.38	19,463	27,705.62	47,168.62
2017	8.38	21,094	26,074.62	47,168.62
2018	8.38	22,862	24,306.94	47,168.94
2019	8.38	24,778	22,391.11	47,169.11
2020	8.38	26,854	20,314.71	47,168.71
2021	8.38	29,104	18,064.35	47,168.35
2022	8.38	31,543	15,625.43	47,168.43
2023	8.38	34,187	12,982.13	47,169.13
2024	8.38	37,052	10,117.26	47,169.26
2025	8.38	40,156	7,012.30	47,168.30
2026	8.38	43,522	3,647.23	47,169.23
		536,426	1,320,041.03	1,856,467.03

ASSIGNMENT

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

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

04/27/87  
PADCI1-W

(SERIES 1987 B SPECIMEN BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
TOWN OF PADEN CITY  
SEWER REVENUE BOND, SERIES 1987 B

No. BR-1

\$131,574

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF PADEN CITY, a municipal corporation of the State of West Virginia in Wetzel and Tyler Counties of said State, (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE HUNDRED THIRTY-ONE THOUSAND FIVE HUNDRED SEVENTY-FOUR DOLLARS (\$131,574), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated March 3, 1987.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions and improvements to the existing sewage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on March 23, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions

thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Issuer's Sewer Revenue Bonds dated November 1, 1958, issued in the original principal amount of \$232,000 (the "1958 Bonds") and the Series 1987 A Bonds herein described, moneys in the Reserve Account created under the Bond Legislation for the Bonds of this series (the "Series 1987 B Bonds Reserve Account"), and unexpended proceeds of the Bonds of this series (the "Bonds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1987 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the 1958 Bonds, the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1987 B Bonds Reserve Account and the reserve account established for the Series 1987 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, including without limitation the reserve for contingencies in the Sewer Revenue Bond Interest and Sinking Fund established in connection with the 1958 Bonds, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively

as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Kanawha Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HERewith AND DESCRIBED IN THE BOND LEGISLATION AND THE 1958 BONDS DESCRIBED HEREIN, EXCEPT WITH RESPECT TO THE SERIES 1987 B BONDS RESERVE ACCOUNT.

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

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a

part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the TOWN OF PADEN CITY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated April 28, 1987.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: April 28, 1987

KANAWHA VALLEY BANK, NATIONAL  
ASSOCIATION, as Registrar

By \_\_\_\_\_  
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

PERIOD ENDING 10/1	ZERO COUPON BONDS
1987	.00
1988	.00
1989	3,462.35
1990	3,462.45
1991	3,462.45
1992	3,462.45
1993	3,462.45
1994	3,462.45
1995	3,462.45
1996	3,462.45
1997	3,462.45
1998	3,462.45
1999	3,462.45
2000	3,462.45
2001	3,462.45
2002	3,462.45
2003	3,462.45
2004	3,462.45
2005	3,462.45
2006	3,462.45
2007	3,462.45
2008	3,462.45
2009	3,462.45
2010	3,462.45
2011	3,462.45
2012	3,462.45
2013	3,462.45
2014	3,462.45
2015	3,462.45
2016	3,462.45
2017	3,462.45
2018	3,462.45
2019	3,462.45
2020	3,462.45
2021	3,462.45
2022	3,462.45
2023	3,462.45
2024	3,462.45
2025	3,462.45
2026	3,463.45

131,574.00

ASSIGNMENT

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

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

Dated: \_\_\_\_\_.

In the presence of:

04/27/87  
PADCI1-X