

\$485,000  
CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS  
SERIES 1999

DISTRIBUTION LIST

Issuer

Joan Turner, City Clerk  
City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838  
(304) 273-2621 Telephone  
(304) 273-9306 Telecopier

Placement Agent's Counsel

Leonard S. Coleman, Esq.  
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Goodwin & Goodwin, LLP  
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Escrow and Paying Agent

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Municipal Bond Commission  
812 Quarrier Street, Suite 300  
Charleston, WV 25301  
(304) 558-3971 Telephone  
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Certified Public Account and Verification Agent

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Bond and Issuer's Counsel

Dennis R. Vaughan, Jr., Esq.  
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Placement Agent

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930 One Valley Square  
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(304) 344-1812 Telecopier

Purchaser

Mr. Brian E. Gainer, Investment Officer  
Steven E. Wilson, Exec. Vice President  
United National Bank  
514 Market Street  
Parkersburg, WV 26101  
(304) 424-8773 Telephone  
(304) 424-8863 Telecopier

Registrar

Kathy Smith, Vice President  
United National Bank Trust Department  
500 Virginia Street, East  
Charleston, WV 25301  
(304)348-8427 Telephone  
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TRANSCRIPT LIST

\$485,000  
CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS, SERIES 1999

Closing: March 30, 1999

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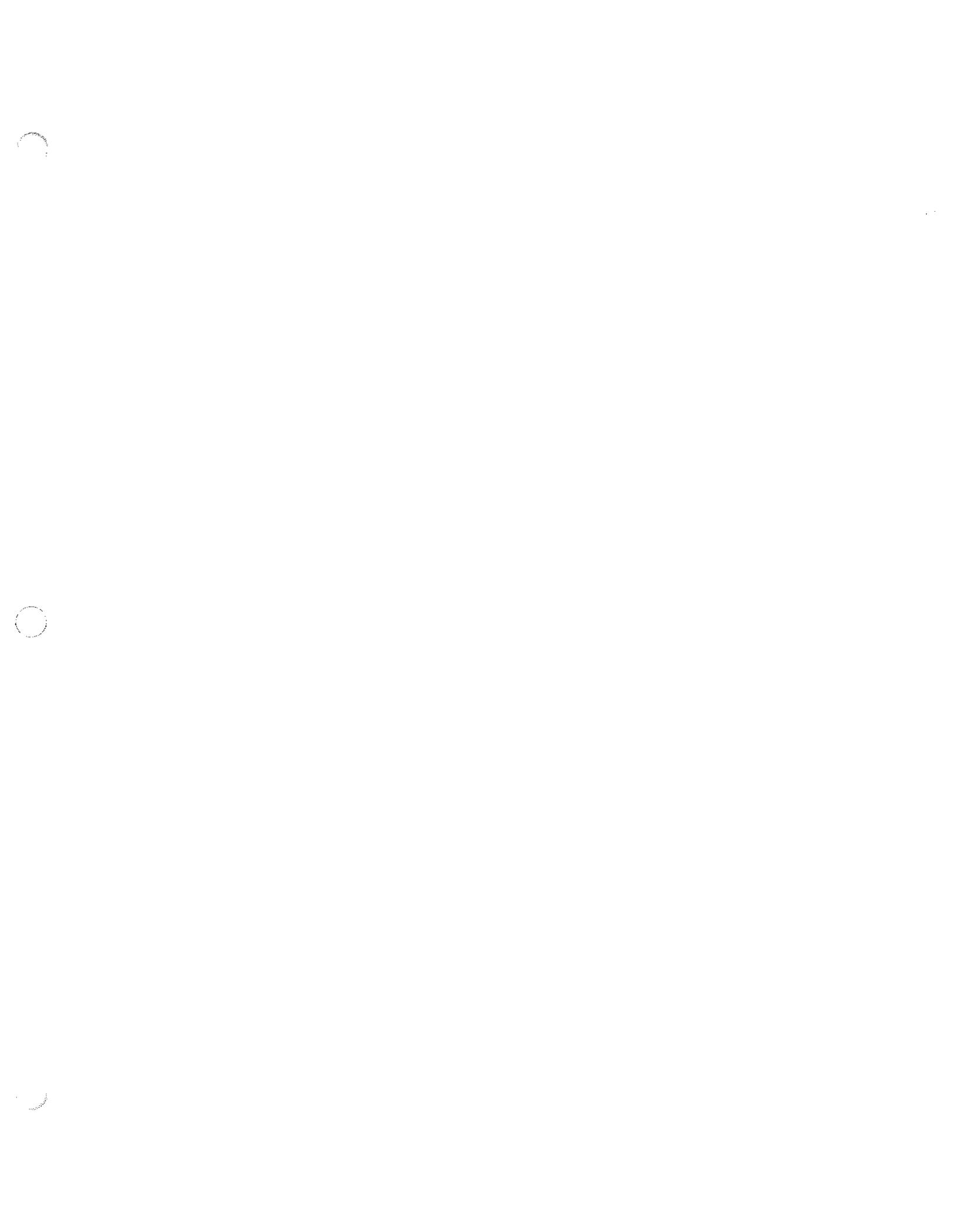
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The closing of the sale of \$485,000 in aggregate principal amount of the City of Ravenswood, Water Revenue Refunding Bonds, Series 1999 will take place at the offices of the City of Ravenswood, 212 Walnut Street, Ravenswood, West Virginia, at 10:30 a.m., Eastern Time, on March 30, 1999. No transaction shall be deemed to have been completed and no documents shall be deemed to have been delivered unless and until all transactions are complete and all documents are delivered. Any document which references an Exhibit or Schedule to be attached thereto shall be considered completed and attached if the referenced Exhibit or Schedule appears elsewhere in this Transcript.



THE CODE OF THE CITY  
OF  
RAVENSWOOD, WEST VIRGINIA

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The Charter  
and  
The General Ordinances

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PUBLISHED BY ORDER OF THE COMMON COUNCIL

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Michie City Publications Company

Charlottesville, Virginia

1970

## PART I.

### THE CHARTER.

Editor's note. --The Charter as herein set out is as published in the Ravenswood Town Code of 1936 (there having been no Charter amendment since revision of the Charter in 1868), except that section catchlines and the frontal section analysis have been supplied by the editors and are unofficial.

The following extract from the preface to the Ravenswood Town Code of 1936, captioned "History of Ravenswood," may be of interest:

"The Town of Ravenswood was originally incorporated by the General Assembly of Virginia, March 10th, 1852. (Acts 1852, Chap. 400, page 296.) Again by the Legislature of West Virginia, Feb. 25th, 1868. (Acts 1868, Chap. 51, page 47.) It is now controlled by Chap. 8 of the Official Code of West Virginia.<sup>1</sup> On Sept. 2nd, 1898, page 80 of the records of the council, appears an ordinance submitting to a vote, the question of enlarging the corporate limits of the Town, as therein specified, [and on] Oct. 4th, 1898, page 82, said ordinance is by the Council declared adopted and said limits enlarged as therein specified [by metes and bounds]. At the November term of the Circuit Court, 1898, the said ordinance was approved and said limits established as specified, which order is found in Book No. 14, on page 374 of the law records of said Court."

The legislature, in its 1969 revision and consolidation of chapters 8 and 8A of the Code of West Virginia into a new chapter 8, recognized, in section 8-1-6, "that when the provisions of existing special legislative charters are compared with and are considered in the light of the provisions of this chapter, [i.e., the new chapter 8], there are five basic possibilities as to the relationship between such charter provisions and the provisions of this chapter, namely: (1) As to any particular charter provisions, such charter provisions may be inconsistent or in conflict with the pertinent provisions of this chapter; (2) although relating to the same subject matter and although not inconsistent or in conflict with any provisions of this chapter, certain charter provisions may be sufficiently different from pertinent provisions of this chapter as to indicate, as a matter of practical construction, that either the charter provisions or the provisions of this chapter, but not both, should be applicable; (3) although varying in certain respects, certain charter provisions may be similar to and in essential harmony with corresponding provisions of this chapter; (4) as to any particular charter provisions, there may be no counterpart of such provisions in this chapter; and (5) as to any provisions of this chapter, there

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1. See § 1-9 of part II of this Code.

- § 30. Powers, duties and compensation of mayor.
- § 31. Powers, duties and compensation of recorder.
- § 32. Additional powers, duties and liabilities of sergeant; compensation of sergeant.
- § 33. Payment of town monies to treasurer, and disbursement thereof.
- § 34. Recourse of town upon failure of treasurer to account for and pay over town money.
- § 35. Recourse of town upon failure of sergeant to collect account for town revenues.
- § 36. Exemption of town and taxable persons and property therein from expenses and liability in certain cases.
- § 37. Saving provisions.
- § 38. Division of town into wards; ward regulations; elections within wards.
- § 39. Employment and safekeeping of city prisoners, etc.
- § 40. Charter always subject to modification or repeal by legislature.
- § 41. Oath of office of all town officers.

ACTS OF THE LEGISLATURE OF WEST  
VIRGINIA, 1868, CHAPTER 51.

An ACT to amend and re-enact the Charter of the Town of Ravenswood, in the County of Jackson.

Passed February 25, 1868.

Be it enacted by the Legislature of West Virginia:

That the charter of the Town of Ravenswood be amended and reenacted so as to read as follows:

Sec. 1. Boundaries.

The corporate limits of the Town of Ravenswood shall be as follows, to-wit: Beginning at the mouth of Sand Creek, at low water mark, and running thence with said creek to the foot of Gallatin Street; thence with the line of said street to the line of R. S. Brown's farm; thence with the line of said farm to the Ohio River; thence down the Ohio River, at low water mark, to the place of beginning.

Sec. 2. Municipal authorities; common council.

The municipal authorities of said town shall be a Mayor, Recorder and five Councilmen, who together shall be a common council.

Sec. 3. Mayor, recorder and councilmen constitute body politic under name of Town of Ravenswood; corporate powers generally.

The Mayor, Recorder and Councilmen, so soon as they have been elected and qualified as hereinafter provided, shall be a body politic by the name of "The Town of Ravenswood," and shall have perpetual succession and a common seal, and by

Sec. 11. Filling vacancies in office.

All vacancies occurring from any cause, in any of the offices provided for in this act, shall be filled by appointment by the Council.

Sec. 12. Voting to be by ballot at all elections.

At all elections the vote shall be by ballot.

Sec. 13. Manner of breaking tie vote at any election.

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

Sec. 14. Provisions relating to contested elections.

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

Sec. 15. Quorum of common council.

A majority of the whole number of officers mentioned in the second section of this act, shall be necessary to the transaction of any business whatever.

Sec. 16. Oath of members of common council.

The Mayor, Recorder, Councilmen, and all officers herein provided for, shall each, before entering upon the duties of his office, and within two weeks from the time of his election or appointment, take and subscribe the oath prescribed by the Act of the Legislature of this State, passed November sixteenth, eighteen hundred and sixty-three, and an oath to faithfully and impartially discharge the duties of his office. The mayor having taken such oath or affirmation, may administer the same to the councilmen and other officers; certificates of said oath, or affirmation, shall be recorded in the journal kept by the council; and whenever two-thirds of the members of the common council shall have qualified, they shall enter upon their said offices, and shall supersede the former council of said town.

Sec. 17. Procedure upon member of common council failing to qualify.

If any one who shall have been duly elected Mayor, Recorder, or Councilman, shall not have been eligible, as herein prescribed, or shall refuse or fail to take the oath or affirmation required under this act, within the time prescribed, the council for the time being shall declare his said office vacant, and proceed to fill such vacancy as provided in section eleven of this act.

action of business, and for the government and regulation of its own body; to promote the general welfare of the town, and to protect the persons and property of the citizens therein; to appoint such officers as they may deem proper, including a sergeant, treasurer, assessor and overseer of the poor; to define their powers, prescribe their duties, fix their term of service and compensation; require and take from them bonds, with such sureties, and in such penalty, as the council may determine, conditioned for the true and faithful performance of their duties, and remove them at pleasure; (all bonds taken by the Council shall be made payable to the town by its corporate name); to regulate and provide for the weighing and measuring of hay, coal, wood and other articles sold, or for sale, in said town, and to regulate the transportation thereof through the streets; to establish and regulate markets; to prescribe the time for holding the same, and what articles shall be sold only in said markets; to protect places of divine worship; to lay off the town into three or more wards, and to appoint and publish the places of holding town elections; to erect, or authorize or prohibit the erection of gas works or waterworks in or near the town; to prevent injuries to or pollution of the same, or danger to the water and healthfulness of the town; for all which purposes, except that of taxation, the Council shall have jurisdiction for one mile beyond the corporate limits of said town.

Sec. 21. Implementation of powers; fines and penalties; commitment of offenders to county jail.

To carry into effect these enumerated powers, and all others conferred upon the said town or its Council, expressly or by implication, in this or any other acts of the Legislature, the Council shall have power to adopt and enforce all needful orders, bylaws and ordinances, not contrary to the constitution and laws of the State, and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment under judgment and orders of the Mayor of said Town, or the person lawfully exercising his functions; and the council, with the consent of the supervisors of Jackson County, entered of record, may have the right to use the jail of said county, for any purpose necessary to the administration of its affairs.

Sec. 22. Authority of common council as to landings, wharves, etc., and to appoint wharfmasters and collect duties on vessels using wharfs.<sup>2</sup>

It shall be lawful for the Council to establish and construct landings, wharves and docks, on any ground which does or shall belong to said town, and to repair, alter or remove any building, wharf or dock which has been or shall be so constructed, and to lay and collect a reasonable duty on vessels coming to or using the same;

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2. For a case holding this section to be constitutional and that the state may, by statute (this section) confer upon a municipal corporation the right to authorize the establishment of public wharves and landings within its corporate limits without compensation to the owner of the fee, see *Ravenswood v. Flemings*, 22 W. Va. 52, (1883), discussed with approval in *Barre v. Fleming*, 29 W. Va. 314 (1887) at pages 324 and 325.

sheriff to enforce the payment and collection thereof, and the said Sergeant shall have power to exercise, within the corporate limits of said town, all duties that a constable can legally exercise, in regard to the collection of claims, executing and levying process, and he shall be entitled to the same compensation therefor, except in case of the arrest of any person violating any of the ordinances of the Council. Upon the conviction of such person, he shall be entitled to one dollar for such arrest, to be taxed in the costs against the person so convicted; and he and his securities shall be liable to all fines, penalties and forfeitures that a constable is legally liable to, for any failure or dereliction in his said office, to be recovered in the same manner, and before the same courts, that said fines, penalties and forfeitures are now recovered against constables.

Sec. 27. Liens created for town taxes, assessments, fines and penalties; enforcement and priority of liens.

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

Sec. 28. Power of common council to prohibit performances, etc., deemed injurious to morals or good order of town.

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

Sec. 29. Bonds of sergeant and treasurer.

The Council shall have power to require and take from the Sergeant and Treasurer bonds, with sureties satisfactory to the Council, in such penalty as it may deem sufficient, except that as to the Sergeant it shall not be for a penalty less than five thousand dollars; and said bond shall be conditioned for the faithful and true performance of his duties as Sergeant, and for the collecting and accounting for and payment of the taxes, fines and other money of the town which shall come into his hands, or which it shall be his duty to collect, at such times and to such persons as the council may order. The Treasurer's bond shall be conditioned for the faithful performance of his duties as treasurer, and that he will faithfully pay over and account for all money that shall come into his hands as treasurer, when and as he shall be thereto required by the council.

Sec. 30. Powers, duties and compensation of mayor.

The mayor shall be the chief executive officer of the town, and shall take care that all bylaws, ordinances and orders of the council are faithfully executed; he shall be ex officio a conservator and justice of the peace within the town, and shall

Sec. 33. Payment of town monies to treasurer, and disbursement thereof.

All moneys belonging to said town shall be paid over to the treasurer, none of which shall be paid out by him except as the same shall have been apportioned and ordered to be paid by the council, and the said treasurer shall pay the same upon the certificate of the recorder, or, in his absence, upon the certificate of the mayor.

Sec. 34. Recourse of town upon failure of treasurer to account for and pay over town money.

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

Sec. 35. Recourse of town upon failure of sergeant to collect account for town revenues.

If the sergeant shall fail to collect, account for and pay over all the taxes, fines and other revenue of the town in his hands for collection, according to the conditions of his bond, it shall be lawful for the council to recover the same by motion, in the corporate name of the town, before the said circuit court, after ten days' notice, against the said sergeant and his sureties, or any or either of them, his or their executors or administrators.

Sec. 36. Exemption of town and taxable persons and property therein from expenses and liability in certain cases.

The said town and the taxable persons and property therein shall be exempt from all expense or liability for the construction or repairs of roads or bridges, or other taxes for county or township purposes, except free school tax, outside the corporate limits of said town, for any year in which it shall appear that said town shall, at its own expense, provide for its own poor and keep its streets in order.

Sec. 37. Saving provisions.

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



WE, THE UNDERSIGNED, DO SOLEMNLY SWEAR THAT WE WILL UPHOLD AND SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT WE WILL TRULY, FAITHFULLY AND IMPARTIALLY DISCHARGE THE RESPECTIVE DUTIES OF THE OFFICE OF MAYOR, RECORDER OR COUNCILPERSON OF THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE OUR NAMES, TO THE BEST OF OUR SKILL AND JUDGEMENT, SO HELP US GOD.

Clair Roseberry

Clair Roseberry Mayor

Katherine Rymer Garrett

Katherine Rymer Garrett Recorder

Lois K. McCann

Lois K. McCann Councilperson

James E. Scritchfield

James E. Scritchfield Councilperson

Gary Lawson

Gary E. Lawson Councilperson

Doug Bashaw

Doug Bashaw Councilperson

Sue Quillen

Sue Quillen Councilperson

SWORN AND SUBSCRIBED TO THIS 1ST DAY OF JULY, 1997, I, Joseph C. Hash, Jr.

Attorney for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURES AFFIXED THEREUNTO IN MY PRESENCE.

Joseph C. Hash, Jr.

SWORN AND SUBSCRIBED TO THIS 1ST DAY OF JULY , 1997, I, Joan Turner, Notary Public in the State of West Virginia, do hereby certify that the above oath was given and the signatures were affixed thereunto in my presence.

Given under my hand this 1st day of July, 1997.

Joan Turner  
Notary Public

My Commission expires January 26, 2004.



## CITY OF RAVENSWOOD

**ORDINANCE AUTHORIZING THE REFUNDING OF CERTAIN EXISTING DEBT AND THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 1999, OF THE CITY OF RAVENSWOOD, IN THE AMOUNT OF \$485,000; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PLACING LIMIT ON SALE OF SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDER OF THE BONDS; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; PROVIDING FOR THE RATIFICATION, APPROVAL AND COLLECTION OF RATES AND CHARGES FOR THE PUBLIC WATER SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.**

**BE IT ORDAINED AND ENACTED BY THE COUNCIL OF CITY OF RAVENSWOOD, WEST VIRGINIA:**

### **ARTICLE I**

#### **STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

**Section 1.01. Authority for this Ordinance.** This Ordinance is adopted pursuant to the provisions of Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code, as amended (collectively, the "Act"), and other applicable provisions of law.

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

**A.** City of Ravenswood (the "City" or "Issuer") is a municipal corporation and political subdivision of the State of West Virginia located in Jackson County, West Virginia.

**B.** The Issuer now has a public water system, and 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 certain existing indebtedness incurred by the Issuer to make additions and improvements to the public water system of the Issuer known as the "System" (sometimes referred to herein as the "System") be refunded so as to improve the public health, comfort and convenience of residents of the City. The refinancing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

**C.** It is necessary for the Issuer to issue its revenue refunding bond in the aggregate principal amounts of \$485,000 to refinance the existing debt of the System.

**D.** The period of usefulness of the System is not less than the term of the Bonds.

E. There is currently outstanding an obligation of the Issuer, which the Bonds will refund, known as the Issuer's Waterworks Revenue Bonds of the Issuer, dated July 1, 1977 (the "1977 Bond") issued in the original principal amount of \$690,000 secured under the terms of the 1977 Ordinance (hereinafter defined);

With the exception of the 1977 Bonds described above, there are no other outstanding bonds or obligations of the Issuer.

F. The Issuer is not in default under the terms of the 1977 Ordinance, or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of refunding bonds or has obtained a sufficient and valid waiver thereof.

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

H. The Issuer has complied with all requirements of West Virginia law relating to the Bonds, or will have so complied prior to issuance of the Bonds, including, among other things, the imposition of rates and charges and approval, pursuant to the Act, of the issuance of the Bonds.

I. It is in the best interests of the Issuer that the Bonds be sold pursuant to terms and provisions set forth in a commitment letter from a purchaser and in a Supplemental Resolution of the Issuer.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond by a purchaser, this Ordinance (the "Ordinance") shall be deemed to be and shall constitute a contract between the Issuer and such purchaser, 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 Bond.

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

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

"1999 Bonds", "1999 Series Bonds" or "Bonds" means the \$485,000 City of Ravenswood Water Revenue Refunding Bonds, Series 1999, authorized by this ordinance.

"1977 Bond" means the outstanding bond of the Issuer dated July 1, 1977, described in Section 1.02 E. herein.

**"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.

**"Costs"** or **"Costs of the Project"** means those costs described in Section 1.02 hereof to be a part of the costs of refunding.

**"Depository Bank"** means initially the WesBanco Bank Ravenswood, Ravenswood, West Virginia, a bank or trust company which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated now or hereafter by Issuer.

**"Facilities"** or **"water facilities"** means all the land and tangible properties of the System and also any tangible properties which may hereafter be added to the water system by addition, 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 year beginning on July 1 and ending on the succeeding June 30.

**"Governing Body"** means the City Council of the Issuer.

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

**"Herein"** means in this Ordinance.

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

**"Issuer"** or **"City"** means City of Ravenswood, Jackson County, West Virginia, and, where appropriate, also means the Governing Body.

**"Mayor"** means the Mayor of the Governing Body.

**"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 System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, 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 Bond and into the Reserve Fund and Depreciation Reserve have been made to the last monthly payment date prior to the date of such retention.

"Ordinance" means this Ordinance and all resolutions supplemental hereto.

"1977 Ordinance" means the ordinance providing for the 1977 Bond, adopted March 15, 1977.

"Placement Agent" means Crews & Associates, Inc., Charleston, West Virginia.

"Qualified Investments" means and include 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 evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

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

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

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

"Recorder" means the Recorder of the Governing Body.

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

"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 principles.

"System" means all existing water facilities owned by the Issuer and all Facilities and other property of every nature, real or personal, now or hereafter acquired and/or owned, held or used in connection with the System, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants, softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a public water system; and shall also include any and all additions, extensions, improvements, replacements, properties or other facilities at any time acquired or constructed for said water system after completion of 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, and words importing persons shall include firms and corporations; words importing the masculine, feminine or neuter genders shall include any other gender; and any requirement for execution, sealing and/or attestation of the Bonds or any certificate or other document by the Recorder shall mean that such Bond certificate or other document may be executed, sealed and/or attested by an Acting Recorder.

## ARTICLE II

### AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. There is hereby authorized the refunding of certain existing indebtedness of the Issuer at an estimated cost of \$485,000 in accordance with the plan of finance developed by the Placement Agent and heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof.

## ARTICLE III

### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bond of the Issuer to be known as "City of Ravenswood, Water Revenue Refunding Bonds, Series 1999" in the principal amount of \$485,000, is hereby authorized to be issued for the purpose of refinancing certain existing indebtedness of the Issuer.

Section 3.02. Description of Bonds. The Bonds shall be issued in a series, in registered form, from No. R-1 upward, and shall be dated on the date of delivery. The Bonds shall bear interest from the date sold, payable semi-annually at the rate agreed upon with the purchaser thereof, and shall be sold for the par value thereof.

The Bonds shall be subject to prepayment of scheduled semi-annual 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. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor and its corporate seal shall be affixed thereto and attested by the Recorder, and the Mayor and the Recorder are hereby authorized to execute the Bonds and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed 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 Bond may be signed and sealed on behalf of

the Issuer by such person as at the actual time of the execution of such Bond 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 3.04. Negotiability, Registration, Transfer and Exchange of Bonds.** The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bond shall be transferable except by means of transfer of registration of a Bond representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Ordinance.

Whenever the 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 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 Registrar with respect to such transfer.

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

**Section 3.05. Registrar.** The Commission shall be the Bond Registrar and will keep or cause to be kept by its agent at its office, sufficient books for the registration and transfer of the Bonds, and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of 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 social security numbers of the settlor and beneficiaries 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.

**Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.** In case any of the 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, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require.

The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any supplemental resolution adopted after the date of adoption hereof and prior to the issuance thereof:

**(FORM OF BOND)**  
**\$485,000**  
**CITY OF RAVENSWOOD**  
**WATER REVENUE REFUNDING BONDS, SERIES 1999**

No. R-1

Date: March \_\_, 1999

**FOR VALUE RECEIVED, the CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County of said State (herein called "Issuer"), hereby promises to pay to the order of \_\_\_\_\_ Bank (the "Bank"), or its registered assigns, at the offices of the West Virginia Municipal Bond Commission, the principal sum of Four Hundred Eighty-five Thousand and 00/100 Dollars (\$485,000.00), plus interest on the unpaid principal balance at the rate of \_\_\_\_\_ percent (\_\_\_%) per annum. Interest shall be paid in semi-annual installments on January 1 and July 1 of each year beginning July 1, 1999. Principal shall be paid annually on July 1 of each year beginning July 1, 1999, except that the final installment shall be paid on July 1, 2017, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.**

**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 the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Issuer in its capacity as Registrar.**

**Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer. Extra payment shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.**

**Any amount advanced or expended by the Bank 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 Bank 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 Issuer to the Bank without demand.**

**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 the water system (the "System") of the Issuer, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.**

Registration of this Bond is transferable by the Bank in person or by its attorney duly authorized in writing, at the office of the Issuer, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Bond 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, Article 19 of Chapter 8 of the West Virginia Code (herein called the "Act").

The initial address of Bank for purposes of bond registration is \_\_\_\_\_, \_\_\_\_\_, West Virginia 2\_\_\_\_\_.

IN WITNESS WHEREOF, the CITY OF RAVENSWOOD 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.

CITY OF RAVENSWOOD

(SEAL)

By: \_\_\_\_\_  
Mayor  
212 Walnut Street  
Ravenswood, WV 26164-1838

ATTEST:

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

(Form of Assignment)

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:

\_\_\_\_\_

## ARTICLE IV

### 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 and established with (or continued if previously established by the 1977 Ordinance), and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established or continued by the 1977 Ordinance and continued hereby);
- (2) Operation and Maintenance Fund (established or continued by the 1977 Ordinance and continued hereby);
- (3) Depreciation Fund (established or continued by the 1977 Ordinance and continued hereby); and
- (4) Refunding Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created and established with the Commission:

- (1) Series 1999 Bond Sinking Fund.

Section 4.03. Bond Proceeds; Refunding Account. All moneys received from the sale of the Bond shall be deposited upon receipt by the Issuer in the Depository Bank, a member of Federal Deposit Insurance Corporation (FDIC), in a special account hereby now established and designated as "City of Ravenswood Water System Refunding Account (hereina called the "Refunding Account"). The moneys in the Refunding Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of state and municipal funds under West Virginia law. Moneys in the Refunding Account shall be expended by the Issuer solely for the purposes provided herein.

The Issuer will transfer any excess funds from the Refunding Account and pay to the holder of the Bonds on or before the due date, such sums as shall be from time to time required to make the semi-annual installment payments on the Bonds if there are not sufficient Net Revenues to make such semi-annual payment.

If the Issuer shall determine at any time that all funds on deposit in the Refunding Account exceed the estimated disbursements on account of the refunding, the Issuer may invest such excess funds in Qualified Investments.

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

Any balance remaining in the Refunding Account shall be promptly transmitted to the Commission with directions that such funds be used immediately to redeem or prepay the 1999 Bonds.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1999 Bond Sinking Fund and the Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bond as follows:

(A) Revenue Fund. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" originally established under the 1977 Ordinance and which is hereby continued hereunder with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

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

(1) The Issuer shall first each month deposit sufficient moneys from the Revenue Fund into the Operation and Maintenance Fund to pay all current Operating Expenses.

(2) The Issuer shall next, each month, on or before the due date of payment of each installment on the Bonds, transfer from the Revenue Fund and deposit into the Series 1999 Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the life of the Bond issue.

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

Whenever the money in the Series 1999 Bond Sinking Fund shall be sufficient to prepay

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

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 1999 Bond Sinking Fund, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the other accounts, herein provided, and all amounts required for the Series 1999 Bond Sinking Fund and the other accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the holder of the Bonds shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and 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.

The Depository Bank, at the direction of the Issuer, shall keep the moneys in the Depreciation 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 Ordinance shall, unless otherwise provided herein or 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 State Board of Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

(C) Change of Depository Agent and Fiscal Agent. The Issuer may designate another bank or trust company insured by FDIC as Fiscal Agent and Depository Bank if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by ordinance that said Bank or its successor should no longer serve as Fiscal Agent or 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 holder of the Bonds.

(D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the Commission and to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission and the Depository Bank then due.

(E) Investment of Excess Balances. The moneys in excess of the sum insured by the maximum amounts 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 a lawful manner for securing deposits of state and municipal funds under the laws of the State.

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

(G) Gross Revenues. The Gross Revenues of the System shall only be used for purposes of the System.

## ARTICLE V

### GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1999 Bond Sinking Fund a sum sufficient to prepay the entire principal of the 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 Bonds.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than one hundred ten percent (110%) percent of the annual debt service on the Bond and to make the payments required herein into the Depreciation Fund and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

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

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of the revenues of the System or any part thereof shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of the holder of the Bonds or Trustee or agent for the holder of the Bonds.

Section 5.05. Insurance and Bond. The Issuer hereby covenants and agrees that it will, as an expense of operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering

the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System in an amount equal to the full insurable value 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 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 City Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of one hundred percent (100%) of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of Jackson County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation insurance will be maintained as required by the laws of the State of West Virginia.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and every officer and employee of the City having custody of the Revenue Fund or of any revenues or other funds of the System in an amount at least equal to the total annual debt service requirements for all outstanding RUS loans.

(f) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(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 Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the

Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the holder of the Bonds may specify, with insurance carriers or bonding companies acceptable to the holder of the Bonds.

Section 5.06. Statutory Mortgage. For the further protection of the holders of the 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 delivery of the 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 semi-annual amortization installment at the date specified for payment thereof and/or;

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

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

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

Section 5.09. Fiscal Year; Budget. While the 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 (30) days prior to the beginning of each fiscal year, the Issuer agrees to adopt an 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 holder of the Bonds by the beginning of each fiscal year.

If for any reason the Issuer shall not have adopted an 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 an Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten percent (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 holder of the Bonds.

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the refunding of its existing indebtedness.

Section 5.12. 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 holder of the Bonds 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 holder of the Bonds. The Issuer further covenants to comply with the Act with respect to such books, records and accounts.

Section 5.13. 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 Bonds are outstanding.

Section 5.14. 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.

Section 5.15. Tax Covenants as to Tax Exempt Status of Bonds.

1. The Issuer covenants that (a) it shall not permit or cause to be done any act or thing which would result in the loss of exemption from tax of interest on the Bonds under Section

103(a) of the Internal Revenue Code and the regulations thereunder, or under any successor or similar provision of the Internal Revenue Code hereinafter enacted and applicable to the Bond and regulations thereunder; (b) it shall not invest or otherwise use or permit or cause to be invested or used, any of the proceeds of the Bonds, or moneys deemed to be proceeds of the Bond under the Internal Revenue Code, directly or indirectly, in any manner which would result in such Bonds being classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Service Code or regulations thereunder, and each shall comply with the requirements of such Section and (c) no part of the proceeds of the Bonds or any funds held under the Ordinance shall at any time be used directly or indirectly for any purpose for which would cause the Bonds to be subject to treatment as a "private activity bond" under the Internal Revenue Code or regulations thereunder and to that end the Issuer will comply with the applicable law as long as the Bonds are outstanding.

2. The Issuer hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and that (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for the Issuer, in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the System.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149 (b) of the Code and Regulations promulgated thereunder.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and

returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Holder) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Holder) which would adversely affect such exclusion.

## ARTICLE VI

### RATES, RULES, COVENANTS, ETC.

#### Section 6.01. Schedule of Rates and Charges.

The schedule of rates and charges for the services and facilities of the System shall be as set forth in a Tariff on file with the Public Service Commission effective February 20, 1998, which Tariff is incorporated herein by reference and is made a part hereof.

#### Section 6.02. Further Covenants

The Issuer hereby further covenants and agrees as follows:

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

B. 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.

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

D. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have such remedies and powers as are provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

E. 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.

## ARTICLE VII

### MISCELLANEOUS

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

Section 7.02. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bonds, the Issuer shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such Financing Statements in the offices of the Secretary of State of West Virginia and of the Clerk of the County Commission of Jackson County.

Section 7.03. Delivery of Bonds. The Mayor and Recorder of the Governing Body are hereby authorized and directed to cause the Series 1999 Bonds, numbered R-1 and upward, to be sold and delivered upon such terms and conditions as are set forth in a Supplemental Resolution.

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

Section 7.05. Conflicting Provisions Repealed. All ordinances and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed.

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. Modification or Amendment. The Bond Ordinance may not be modified or amended in any material manner after final passage without the prior written consent of the holder of the Bonds.

Section 7.08. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State 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 7.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Ordinance.

Section 7.10. Effective Time. This Ordinance shall take effect immediately upon its adoption.

Section 7.11 Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for two (2) successive weeks within a period of ten (10) consecutive days, with at least six (6) full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Ravenswood or Jackson County, together with a notice stating that this Bond Ordinance has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the City Council upon a date certain, not less than ten (10) days subsequent to the date of the first publication of such abstract of this Bond Ordinance 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, 1999.

Passed on Second Reading – March 16, 1999.

Passed on Final Reading  
Following Public Hearing – March 30, 1999.

CITY OF RAVENSWOOD

[SEAL]

By:   
Mayor

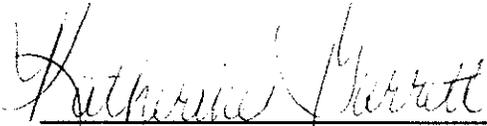
Attest:

By: Katherine Barrett  
Recorder

CERTIFICATION

I, Katherine Garrett, Recorder of the City of Ravenswood, hereby certify that the foregoing is a true and correct copy of an Ordinance approved on second reading at a meeting of the City Council of the City of Ravenswood held on March 16, 1999, and considered at a public hearing held on March 30, 1999. I further hereby certify that the action of said City Council set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 30th day of March 1999.

  
\_\_\_\_\_  
Recorder

CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS, SERIES 1999

SUPPLEMENTAL RESOLUTION PROVIDING THE AMOUNT, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE WATER REVENUE REFUNDING BONDS, SERIES 1999, OF THE CITY OF RAVENSWOOD; AUTHORIZING AND APPROVING A PLACEMENT AGENT'S AGREEMENT, A REGISTRAR AND PAYING AGENT AGREEMENT, AN ESCROW AGREEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, ESCROW AGENT AND DEPOSITORY BANK; DESIGNATING THE BONDS AS "BANK QUALIFIED OBLIGATIONS" AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the City of Ravenswood (the "Issuer"), in the County of Jackson, State of West Virginia, is a municipal corporation of said State, the governing body of which is its Council;

WHEREAS, this Council duly enacted on March 30, 1999, an ordinance (the "Ordinance") entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF CERTAIN EXISTING DEBT AND THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 1999, OF THE CITY OF RAVENSWOOD, IN THE AMOUNT OF \$485,000; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PLACING LIMIT ON SALE OF SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDER OF THE BONDS; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; PROVIDING FOR THE RATIFICATION, APPROVAL AND COLLECTION OF RATES AND CHARGES FOR THE PUBLIC WATER SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

WHEREAS, the Ordinance provided for the issuance of the Issuer's Water Revenue Refunding Bonds, Series 1999 (the "Series 1999 Bonds"), in an aggregate principal amount of \$485,000, for the purpose of refunding the Issuer's outstanding Waterworks Revenue Bonds, Series 1977 (the "Prior Bonds"), all in accordance with Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Ordinance provided that the exact principal amount of the Series 1999 Bonds to be sold and the maturities, interest rates, redemption provisions and the price of the Bonds should be established, that a Paying Agent, Escrow Agent, Registrar and Depository Bank be designated, that an Escrow Agreement and Registrar and Paying Agent Agreement be approved, and that other matters pertaining to the Series 1999 Bonds be provided for by resolution of this Council supplemental to and amendatory of the Ordinance upon receipt of a Bond Purchase Agreement acceptable to this Council;

WHEREAS, the Series 1999 Bonds are proposed to be purchased by United National Bank

(the "Original Purchaser"), pursuant to a Placement Agent's Agreement dated the date of adoption hereof (the "Placement Agent's Agreement");

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Ordinance; and

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the Placement Agent's Agreement, the Escrow Agreement and the Registrar and Paying Agent Agreement hereinafter provided to be entered into by the Issuer, be approved, that the price of the Series 1999 Bonds, the maturity dates and amounts, the redemption provisions, the interest rates, and the exact principal amount of the Series 1999 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 1999 Bonds be herein provided for, all in accordance with the Ordinance.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF RAVENSWOOD HEREBY  
ESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Resolution is adopted and there are hereby authorized and ordered to be issued the Series 1999 Bonds in the aggregate principal amount of \$485,000. The Series 1999 Bonds shall be dated March 30, 1999, upon original issuance, shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2000, with sinking fund payments due July 1 in the years as follows:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2000	\$20,000	5.00%
2001	20,000	5.00
2002	20,000	5.00
2003	20,000	5.00
2004	20,000	5.00
2005	20,000	5.00
2006	25,000	5.00
2007	25,000	5.00
2008	25,000	5.00
2009	25,000	5.00
2010	30,000	5.00
2011	30,000	5.00
2012	30,000	5.00
2013	30,000	5.00
2014	35,000	5.00
2015	35,000	5.00
2016	35,000	5.00
2017	40,000	5.00

Section 2. The Series 1999 Bonds shall be subject to redemption at the option of the Issuer at any time, in whole or in part, in any order of maturity selected by the Issuer and by lot within a maturity.

If a Series 1999 Bond is called for redemption in part, such Series 1999 Bond shall be renumbered and exchanged for a Series 1999 Bond of the amount then outstanding without charge to the Bondholder.

All other provisions relating to the Series 1999 Bonds shall be as provided in the Ordinance, and the text thereof shall be in substantially the form provided in the Ordinance.

Section 3. The Placement Agent's Agreement between the Placement Agent and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor and Recorder on behalf of the Issuer are hereby authorized, approved and directed. The Mayor and Recorder shall execute and deliver the Placement Agent's Agreement with such changes, insertions and omissions as may be approved by the Mayor and Recorder. Execution of the Placement Agent's Agreement by the Mayor and Recorder shall be conclusive evidence of any approval required by this Section. The price of the Series 1999 Bonds, pursuant to the Placement Agent's Agreement, shall be \$485,000. In addition, the Issuer shall receive interest accrued from the date of the Series 1999 Bonds to their date of delivery. The Series 1999 Bonds are expected to be delivered on or about March 30, 1999, and, if so delivered, the accrued interest will be \$0.

Section 4. The Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent, to be dated as of the date of delivery of the Series 1999 Bonds, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor or Vice Mayor shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Mayor and the Recorder is hereby authorized and directed to affix the seal of the Issuer thereto and to attest the seal. Execution of the Escrow Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 5. The Registrar and Paying Agent Agreement to be dated as of the date of delivery of the Series 1999 Bonds, by and between the Issuer and the Registrar/Paying Agent designated herein, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar and Paying Agent Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar and Paying Agent Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond

Commission, Charleston, West Virginia, for the purpose of serving as Escrow Agent under the Escrow Agreement.

Section 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, for the purpose of serving in the capacities of Registrar and Paying Agent.

Section 8. The Issuer does hereby appoint and designate WesBanco Bank Ravenswood, Ravenswood, West Virginia for the purpose of serving in the capacity of Depository Bank.

Section 9. The notice addresses for the Escrow Agent, Registrar, Paying Agent and Depository Bank shall be as follows:

ESCROW AGENT, REGISTRAR AND PAYING AGENT

West Virginia Municipal Bond Commission  
812 Quarrier Street, Suite 300  
Charleston, WV 25301

DEPOSITORY BANK

WesBanco Bank Ravenswood  
Two Wall Street  
Ravenswood, WV 26164

Section 10. Based upon the actual principal amount, maturity schedule and interest rates for the Series 1999 Bonds, as set forth in Paragraph (1) hereof, it is hereby determined that the Series 1999 Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

Section 11. Under the provisions of the Act, and as provided in the Ordinance and the Series 1999 Bonds, the Series 1999 Bonds and the interest thereon do not constitute indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the revenues derived from the operation of the water system of the Issuer and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Series 1999 Bonds and the interest thereon.

Section 12. The Issuer and all subordinate entities do not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligations) during the calendar year 1999 and the Issuer hereby designates the Series 1999 Bonds as "qualified tax-exempt obligations," as defined in Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 13. 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 Series 1999 Bond issue, hereby and by the Ordinance approved and provided for, including any forms or documents necessary to qualify the Series 1999 Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Series 1999 Bonds may be delivered at the earliest practical date pursuant to the Placement Agent's Agreement.

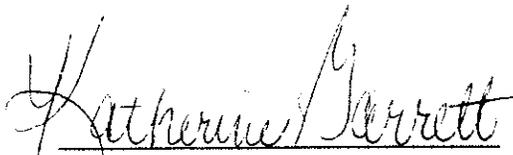
Section 14. The Mayor is hereby authorized and directed to transfer from the Debt Service Fund and Debt Service Reserve Fund, created for the Prior Bonds and held by the West Virginia Municipal Bond Commission the amounts set forth in the Escrow Agreement.

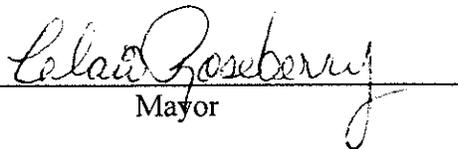
Section 15. This Resolution shall be effective immediately.

Adopted this 30th day of March, 1999.

[SEAL]

CITY OF RAVENSWOOD, WEST VIRGINIA

  
Recorder

By:   
Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the City Council of the CITY OF RAVENSWOOD at a special meeting of the City Council held on March 30, 1999, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 30th day of March, 1999.

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



State of West Virginia  
County of Jackson  
City of Ravenswood - to wit:

The Common Council of the City of Ravenswood met in regular session on Tuesday, March 2, 1999 at 7:30 p.m. in the Council Chambers at City Hall. Mayor Roseberry called the meeting to order and the following were present: Atty. Hash, Recorder Garrett, Councilmembers Lawson, McCann and Quillen. Absent were Councilmembers Jarrell and Scritchfield.

Recorder Garrett led the pledge of allegiance and Mayor Roseberry gave the invocation.

Council had received a copy of the minutes of the meeting of February 16 and Recorder Garrett moved "TO APPROVE THE MINUTES AS WRITTEN." Councilwoman McCann seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Mr. Drew Payne, representing Crews & Associates, Inc. was present to answer any questions which Council might have concerning the refinancing of the 1977 Water Bond Issue. The City will save quite a bid of money by refinancing the bonds at the lower market rates which are available at the present time. Atty. Hash read by title, an ordinance authorizing the refunding of certain existing debt and the issuance of water revenue refunding bonds, Series 1999, of the City of Ravenswood in the amount of \$485,000.; defining and prescribing the terms and provisions of the bonds; placing limit on sale of system; providing generally for the rights and remedies and security of the holder of the bonds; providing statutory lien on revenues and system; providing for the ratification, approval and collection of rates and charges for the public water system; and providing general terms and providing when this ordinance shall take effect. This is the first reading by title of the ordinance.

Council congratulated Ronnie Lane on completing his Class III public water supply operator certification. The maintenance committee will meet to decide on what raise to give Chief Water Plant Operator Lane.

Mayor Roseberry ask for volunteers to serve on the contract negotiations committee and then appointed Councilman Lawson and Councilwoman McCann to serve on the committee.

Burgess and Niple are reviewing the bids received on the water tank painting project of the Silverton water tank. High bid was \$157,485. and the lowest bid is \$103,550.

Mayor Roseberry informed Council that the Jackson Co. Development Authority meeting will be Tuesday, March 9th at noon at the Development office in Ripley.

The City has received a thank you from the Jackson County Historical Society for getting the historic sign replaced and the museum roof and guttering repaired.

The Mid-Ohio Valley Mayors' Assoc. meeting is Wednesday, March 10th at 6:00 p.m. at North Bend State Park. Let the City Clerk know by noon Friday if you plan to attend.

City Supvr. Stoffel reported to Council that he is getting quotes for a new truck for the water dept.

City Clerk-Treas. Turner informed Council that she hopes to have a copy of the proposed budget for 1999-2000 to them by the end of the week. The Tax Assessor dropped off the city property valuation figures this evening. A work session will

be set up to go over the budget.

Mayor Roseberry gave Council an update on the Silverton development site and there are signs up but no action has been taken. The developer is keeping all his options open at this time. Atty. Hash has maps and property owner list.

An investigating crew from EPA, is in Ravenswood this week to work on the water well contamination problem. Chief Water Plant Operator Lane reported that the pumping of well # 3 off to waste is working and the contamination is not spreading any further.

Mayor Roseberry reported on the status of the legislation on getting the City's current roll off site approved or grandfathered in over the emergency rule which was passed.

The Cub Scouts have asked the City for a free youth swimming pass for their Blue and Gold Banquet which is March 13th. Recorder Garrett moved "TO DONATE A YOUTH PASS FOR THE POOL." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

The Project Graduation committee has asked for the City to donate two season swimming pool passes for their party on graduation night. The City has been doing this for several years. Recorder Garrett moved: "TO DONATE TWO PASSES FOR PROJECT GRADUATION." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Recorder Garrett informed Council that she and Councilman Scritchfield will be meeting with Supvr. Stoffel this next week to measure the streets for paving.

The City has been asked to get an engineering firm to provide planning, design and construction services for improvements to the City's water system by the Bureau of Public Health. The City needs to advertise for such services. Recorder Garrett moved "TO ADVERTISE FOR ENGINEERING SERVICES." Councilwoman McCann seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. The bids will open on April 6, 1999.

Councilman Lawson reported that the high school would like to have the tennis courts open. We may need a couple of new nets but Supvr. Stoffel is going to put up the current nets for the time being and see.

Recorder Garrett asked about having the issue of a full time mayor being placed on the ballot. Atty. Hash stated that it was probably too late and Mayor Roseberry stated that he felt it would not be fair to do it after the filing period had ended as somebody might have run if they had known that it might be a full time position.

Councilwoman Quillen thanked the Civic Club for the heart decorations for Valentines and reported that they are going to put shamrocks in the planters for March.

Councilwoman Quillen also asked about a emergency alert siren in case of a train wreck or weather problem. Councilwoman McCann reported that the County Emergency group is working on this at present. Shelter in place programs will be given to the schools this spring.

Councilwoman Quillen also asked about trying to get a curfew back in

Ravenswood. Charleston has a curfew and it is being challenged in court.

Councilwoman Quillen asked about the status on the wall beside Manpower. Mary Stone of Gorrell Realty is taking care of most of Mrs. Miller's property and has been contacted about the problem.

Councilwoman Quillen asked that some patching be done to Race St. Atty. Hash reported that all the property owners have agreed except for one and that it would be ok to patch the road in the meantime.

Councilman Lawson reported that it is time to advertise for pool personnel for the summer.

City Clerk Turner reported that the ballot placement drawing was held this morning. Mayor Roseberry will be in the first position and former Mayor Alderson will be second. Recorder Garrett will be first and former Councilman Boggess will be second. Judy Wiseman will be first, Lois McCann second, James Scritchfield third, Cheryl Greathouse fourth, Gary Lawson fifth, Sue Quillen sixth, Chris Morehead seventh, Charles Thornhill eighth and Lucy Harbert ninth on the ballot.

There being no further business, Recorder Garrett moved "TO ADJOURN AT 8:16 P.M." Councilwoman McCann seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner, City Clerk-Treas. CMC

Attest:

*Celina Roseberry*  
Mayor

*Katherine Garrett*  
Recorder

I hereby certify that the foregoing is a true and correct copy of the original on file in my office.

Given under my hand this 9th day of April 19 99.

*Joan Turner*  
City Clerk

State of West Virginia  
County of Jackson  
City of Ravenswood - to wit:

The Common Council of the City of Ravenswood met in regular session on Tuesday, March 16th, 1999 at 7:30 p.m. in the Council Chambers at City Hall. Mayor Roseberry called the meeting to order and the following were present: Atty. Hash, Recorder Garrett, Councilmembers Jarrell, Lawson, McCann, Quillen and Scritchfield.

Recorder Garrett led the pledge of allegiance and Rev. Ronald Brooks of First United Methodist Church gave the invocation.

The Post Office ask to have a public hearing at this meeting with regard to the possible relocation of the post office in Ravenswood. Mr. Michael Legrand was present from their operations office. The Post Office Dept. is looking for a building with at least 6,500 ft. and thirty to forty parking spaces or for property to build on with about two acres. Mr. Adams from outside Ravenswood city limits was present to ask if they planned to close the post office. Mr. Lessing was present from Parkersburg, representing the real estate company which owns the building which the post office is currently located in. Council discussed the matter and made several suggestions for property or buildings.

Council had received a copy of the minutes of the meeting of March 2nd and Recorder Garrett moved "TO APPROVE THE MINUTES AS PRESENTED." Councilman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

City Clerk Turner reported to Council that the City had only received one bid for the annual audit 97/98 and that was from Mr. Howard Cloke, CPA. Mr. Cloke has done the City's audit for several years. Councilman Scritchfield moved "TO APPROVE MR. CLOKE FOR THE CITY'S ANNUAL AUDIT." Recorder Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Mayor Roseberry reported on change on the Silverton Development.

Mayor Roseberry also informed Council that EPA took samples in the area for the soil gas survey. They did not get to complete the work back when there is better weather. They took samples at 8 ft. and didn't do anything. They may possibly sample at the 10-15 ft. level the next time.

Mayor Roseberry informed Council that the legislature has asked the DEP representative, Richard Cook to meet with Ravenswood and Ripley to try to resolve the roll off problems. Senator Dittmar, Representative Facemyer and Senator Craigo had really worked on trying to get the matter taken care of in a way that would allow the two cities to continue to do what they are doing with garbage disposal. No tipping fees or sanctions or fees will be charged to the cities while this is in the resolution stage. Council discussed the problem.

Atty. Hash read for the second reading by title, an ordinance authorizing the refunding of certain existing debt and the issuance of water revenue refunding bonds, Series 1999, of the City of Ravenswood in the amount of \$485,000.; defining and prescribing the terms and provision of the bonds; placing limit on sale of system; providing generally for the rights and remedies and security of the holder of the bonds; providing statutory lien on revenues and system; providing for the ratification, approval and collection of rates and charges for the public water system; and providing general terms and providing when this ordinance shall take effect. The public hearing is scheduled for 10 a.m. on Tuesday, March 30th in City Hall. No one was present with regard to the bond issue. Recorder Garrett moved "TO APPROVE THE ORDINANCE TO REFINANCE THE 77 WATER BONDS PENDING THE PUBLIC HEARING ON MARCH 30, 1999." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

I hereby certify that the foregoing is a true and correct copy of the original on file in my office.  
Given under my hand this 16th day of April 19 99

Dorcas Johnson  
City Clerk

Mayor Roseberry also reported to Council on the status of the water tank painting bids. Lise Sibicky of Burgess & Niple was present to report on the bids and the apparent low bid is from Central Painting & Sandblasting in the amount of \$103,550. Burgess & Niple staff are reviewing the eight bids received. Council discussed the matter and Recorder Garrett moved "TO ACCEPT THE EIGHT BIDS AND TO CONFIRM THE APPARENT LOW BID OF CENTRAL PAINTING & SANDBLASTING." Councilwoman McCann seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Councilman Scritchfield reported on the street paving which would be for about 1,000 tons more or less. Fourteen streets are on the paving list. Recorder Garrett moved "TO ADVERTISE FOR STREET PAVING WITH THE BID OPENING TO BE APRIL 20TH AND THE PAVING TO BE COMPLETED BY JUNE 30, 1999." Councilwoman McCann seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Council was given a list of proposed increases in the building permit fees. Mayor Roseberry would like for Council to consider raising the building inspector's salary from \$100. per month to \$300. per month. Planning & Zoning has recommended raising the permit fees as they have not been raised since 1957. Council discussed the matter and Councilman Scritchfield moved "TO APPROVE THE RECOMMENDATIONS OF PLANNING & ZONING AND TO HAVE AN ORDINANCE DRAFTED." Recorder Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. Planning & Zoning has come up with a inspection fee cost and Council was uncertain as to how they intended it to be assessed. Council asked that Planning & Zoning clarify what they had in mind. Mr. & Mrs. Jack Wiseman were present and Mr. Wiseman expressed his opinion that the residents need to be informed as to what needs a building permit and what doesn't.

Recorder Garrett moved "TO GO INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS AT 8:21 P.M." Councilman Scritchfield seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. Councilman Scritchfield moved "TO RETURN TO REGULAR SESSION AT 8:40 P.M." Councilwoman McCann seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Council had a copy of the proposed General Fund and the Coal Severance Tax Fund Budget for 1999/2000. Council discussed the budget and decided to cut the amount proposed for the Ohio River Festival from \$1,000. to \$500. and to take the \$500. and put it in parks for the possible use for the new playground project. Recorder Garrett moved "TO APPROVE THE GENERAL AND COAL SEVERANCE TAX FUND BUDGETS AS PRESENTED." Councilman Lawson seconded the motion with all members present voting AYE except for Councilman Jarrell. The majority of the vote being aye, the Mayor declared the motion adopted.

Council had received a request to have the Relay for Life in the River Front Park on June 11 and 12. Council discussed the request and there will be access for the boaters to use the boat ramp and parking area as last year. Recorder Garrett moved "TO APPROVE THE REQUEST WITH THE SAME CONDITIONS AS LAST YEAR." Councilman Scritchfield seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Council was informed that there will be an Easter Egg Hunt in the City Park on Saturday, March 20th and that Project Playground Committee would like to be allowed to block off Sycamore St. for one block during the hunt. Recorder Garrett moved "TO ALLOW THE STREET TO BE BLOCKED." Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. Recorder Garrett stated that as a Council, the City is sponsoring the Project and will do any and all that we can, even to provide our men and the City's equipment if needed.

Mayor Roseberry presented Council with a resolution in support of the upgrade of U.S. 33 and the construction of the Ravenswood connector road to the W.S. Ritchie Jr. Bridge. Mayor Roseberry read the resolution and Recorder Garrett moved "TO ADOPT THE RESOLUTION." Councilman Scritchfield seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Mayor Roseberry also presented Council with a resolution with regard to the McIntosh Memorial Park property. Mr. Fred McIntosh, a grandson of the late F.F. and Harriet McIntosh resides in Spencer, WV. Mr. McIntosh had visited the Community Building in Ravenswood and was unable to find any sign or plaque which informed people that the property had been given to the City by his grandparents. Council discussed the matter and Recorder Garrett stated that she remembered there being a plaque near the water fountain in the front yard. The resolution stated that the property shall be called the McIntosh Memorial Park and the residence shall be called the Ravenswood McIntosh Community Building and an appropriate sign to be designed and erected. Council suggested that Mr. McIntosh be invited when the sign is placed. Councilman Scritchfield moved "THAT THE RESOLUTION BE ADOPTED." Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Councilman Jarrell thanked the Civic Club ladies for the March Madness fund raiser. They are planning to use some of the money for needs at the Community Building and NYA Hall.

Councilwoman Quillen informed Council that she had applied for Budget Digest funds to do some work at the Council Chambers and Community Building/NYA Hall.

Councilwoman Quillen also reported that the Community Building and NYA Hall has been reserved for the week of Sept. 28th through Oct. 2nd to install the playground in City Park.

Councilwoman Quillen asked about the status of Race St. and Atty. Hash reported that the order is almost ready to finalize it being the City's. They need a plat from a surveyor for the court file. Council was in agreement to have Starcher and Assoc. to take care of the plat.

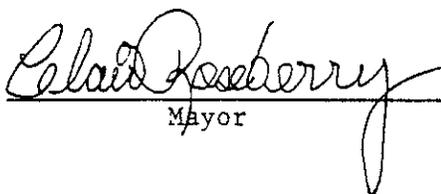
Councilman Scritchfield asked Council to leave the 15 mph. speed limit on Fitzhugh St. as it is for the time being.

There being no further business, Recorder Garrett moved "TO ADJOURN AT 9:05 P.M." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner, City Clerk-Treas. CMC

Attest:

  
 \_\_\_\_\_  
 Mayor

  
 \_\_\_\_\_  
 Recorder

State of west virginia  
County of Jackson  
City of Ravenswood - to wit:

A Public Hearing was held on March 30th, 1999 at 10:00 a.m. in the Council Chambers at City Hall. Mayor Roseberry called the hearing to order. Present were Recorder Garrett, Atty. Hash, Councilmembers Quillen and Scritchfield. Absent from Council were Councilmembers Jarrell, Lawson and McCann. Also present were Dennis Vaughn, Jr., Bond Counsel; Brill Bragg, Goodwin & Goodwin, Placement Agent's Counsel; Drew Payne, Crew's & Assoc., Investment Bankers; and John Alderson, city resident.

Mayor Roseberry opened the meeting and dispensed with the regular opening ceremony and proceeded with the public hearing. An Ordinance authorizing the refunding of certain exiting debt and the issuance of water revenue bonds, Series 1999, of the City of Ravenswood, in the amount of \$485,000; defining and prescribing the terms and provision of the bonds; placing limit on sale of system; providing generally for the rights and remedies and security of the holder of the bonds; providing statutory lien on revenues and system; providing for the ratification, approval and collection of rates and charges for the public water system; and providing general terms and providing when this ordinance shall take effect. There was no one present to register any complaint either for or against the refinancing of the 1977 Water Bond Issue.

This was also a special Council meeting called for the purpose of adopting a supplemental resolution providing the amount, maturities, interest rates, redemption provision, purchase price and other details of the water revenue refunding bonds, Series 1999, of the City of Ravenswood, authorizing, approving a placement agent's agreement; a registrar and paying agent's agreement; a escrow agreement; and other instruments relating to the bonds; appointing a registrar, paying agent and escrow agent and depository bank; designating the bonds as a bank qualified obligation and making other provisions as to the bonds and their refunding. Recorder Garrett moved "TO APPROVE THE SUPPLEMENTAL RESOLUTION." Councilman Scritchfield seconded the motion with Councilwoman Quillen, Recorder Garrett, Councilman Scritchfield and Mayor Roseberry voting by a show of right hands; all members voting AYE; therefore, the Mayor declared the motion adopted.

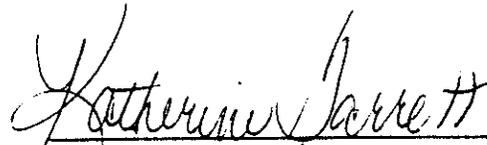
There being no further business to come before the special meeting, Councilwoman Quillen moved "TO ADJOURN AT 10:35 A.M." Councilman Scritchfield seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner,  
City Clerk-Treas.

Attest:

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Recorder

I hereby certify that the foregoing is a true and correct copy of the original on file in my office.

Given under my hand this 9th day of April 19 99.

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



**ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING**

Pursuant to the provisions of West Virginia Code Chapter 6, Article 9A, Section 6 and in accordance with the provisions of West Virginia Code Chapter 8, Article 19, as amended, you hereby notified that a public hearing before the City Council (the "Council") of the City of Ravenswood (the "City") will be held on the 30th day of March, 1999, at which public hearing the Council will consider for final adoption an Ordinance entitled:

**ORDINANCE AUTHORIZING THE REFUNDING OF CERTAIN EXISTING DEBT AND THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 1999, OF THE CITY OF RAVENSWOOD, IN THE AMOUNT OF \$485,000; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PLACING LIMIT ON SALE OF SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDER OF THE BONDS; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; PROVIDING FOR THE RATIFICATION, APPROVAL AND COLLECTION OF RATES AND CHARGES FOR THE PUBLIC WATER SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.**

The ordinance has been read and approved by the Council on first reading on March 2, 1999, and on second reading on March 16, 1999. The Ordinance would authorize the issuance of the City's \$485,000 Water Revenue Refunding Bonds, Series 1999 (the "Bonds"). The 1999 bonds would provide funds to refinance certain existing indebtedness of the City's water system (the "System").

The entire amount of the principal of and interest on the Bonds would be paid from revenues generated from the operation of the System. The Ordinance shall further provide as follows:

1. The issuance of the 1999 Bonds would lower the monthly payments of debt service payable from the revenues of the System.

2. The City has the authority under Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended, to finance the operations of the System.

3. The City has determined that the revenues identified above are sufficient to pay the principal of an interest on the bonds as the same become due including all sinking fund and other payments provided for in the Ordinance.

4. The Ordinance provides that it is in the best interests of the Commission to sell the Bonds to United National Bank (the "Purchaser").

5. The Ordinance provides that the Bonds shall be executed in the name of the City by the Mayor, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the Recorder. The West Virginia Municipal Bond Commission shall serve as the Registrar and Paying Agent.

6. The Ordinance provides for the Registrar to register the Bonds.

7. The Ordinance provides for the repayment of existing debt of the System as well as the manner and method of disbursing the proceeds of the 1999 Bonds.

8. The Ordinance provides for the investment of the Bond proceeds and includes covenants designed to maintain the Bonds' tax-exempt status.

9. The Ordinance establishes terms for default and remedies of the owners of the Bonds.

A certified copy of the Ordinance is available for examination by any interested person at the office of the City during regular office hours of such office, which are 8:00 a.m. to 4:00 p.m., Monday through Friday.

The public hearing will be held at City Hall, 212 Walnut Street, Ravenswood, West Virginia, on the 30th day of March, 1999, at 10:00 a.m., and any person or persons interested may appear before Council and be heard and may present protests and objections to the passage of the Ordinance and the issuance of the Bonds.

Dated this 16th day of March, 1999.

**CITY OF RAVENSWOOD  
JACKSON COUNTY,  
WEST VIRGINIA**  
Clair Roseberry,  
Mayor  
Katherine Garrett,  
Recorder

**AFFIDAVIT OF PUBLICATION**

Cost of Publication \_\_\_\_\_

State of West Virginia,  
County of Jackson, to wit:

I, Gregory S. Matics, being first sworn upon my oath, do depose and say that I am publisher of the newspaper entitled THE JACKSON STAR NEWS, a Democratic newspaper that I have been duly authorized by the board of directors of such corporation to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published once weekly on Wednesday for at least fifty weeks during the calendar year, in the Municipality of Ravenswood, Jackson County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover per issue; that such newspaper is circulated to the general public at a definite price of consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed

**ABSTRACT OF ORDINANCE AND NOTICE OF PUBLIC HEARING**  
Pursuant to the provisions of WV Code Chapter 6, Article 9A, Section 6 and in accordance with the provisions of WV Code Chapter 8, Article 19, as amended, you hereby notified that a public hearing before the City Council of the City of Ravenswood will be held on the 30th day of March etc was duly published in said newspaper once a week for 2 successive weeks, commencing

with the issue of the 17th day of March 1999

and ending with the issue of the 24th day of March 1999 (and

was posted at the \_\_\_\_\_

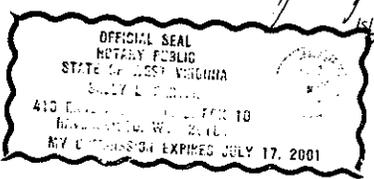
on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_).

*Gregory S. Matics*  
/s/ \_\_\_\_\_  
Gregory S. Matics, Publisher  
The Jackson Star News

Take, subscribed and sworn to before me in my said county this 25<sup>th</sup>

day of March, 1999.

My commission expires July 17, 2001



*Gregory S. Matics*  
Notary Public of Jackson County,  
West Virginia



**\$485,000**  
**CITY OF RAVENSWOOD, WEST VIRGINIA**  
**WATER REVENUE REFUNDING BONDS, SERIES 1999**

**GENERAL CERTIFICATE**

1. **TERMS**
2. **AWARD OF BONDS**
3. **NO LITIGATION**
4. **GOVERNMENTAL APPROVALS**
5. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS**
6. **SIGNATURES**
7. **CERTIFICATION OF COPIES OF DOCUMENTS**
8. **RATES**
9. **INCUMBENCY AND OFFICIAL NAME**
10. **DELIVERY AND PAYMENT**
11. **MEETINGS**
12. **MANAGEMENT**
13. **RATES AND CHARGES**
14. **CONFLICT OF INTEREST**

We, the undersigned **MAYOR** and the undersigned **RECORDER** of the **CITY OF RAVENSWOOD**, Jackson County, West Virginia (the "Issuer"), and the undersigned **ATTORNEY** for the Issuer, hereby certify in connection with the City of Ravenswood, Water Revenue Refunding Bonds, Series 1999, No. R-1, in the aggregate original principal amount of \$485,000, bearing interest at the rates specified therein and dated on the date thereof (the "Bonds"):

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Ordinance adopted by the City Council of the Issuer (the "Council") on first and second readings and enacted and effective after a public hearing held on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance").

2. **AWARD OF BONDS:** The Bonds have been sold to United National Bank (the "Purchaser"), pursuant to the Bond Ordinance.

3. **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 Bonds, nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds, nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof, nor questioning the existence of the Issuer or the Council or the title of the members and officers thereof to their respective offices; nor questioning the operations of the water system of the Issuer (the "System") being refinanced out of the proceeds of sale of the Bonds.

4. **GOVERNMENTAL APPROVALS:** All applicable approvals and certificates required by law for refunding existing debt and operation of the System have been duly and timely obtained and remain in full force and effect.

5. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the delivery of the Purchase Letter.

Upon refunding of its existing debt, the Bonds will constitute the only debt of the Issue which is payable from and entitled to a lien on the revenues of the System.

6. **SIGNATURES:** The undersigned MAYOR and RECORDER did, for the Issuer on the date hereof, officially execute and seal the 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, qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the 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 or changed in any way unless modification appears from later documents also listed below:

- Charter of Issuer.
- Ordinance.
- Notice of Public Hearing on Ordinance.
- Minutes of Adoption of Ordinance on First and Second Reading.
- Minutes on Enactment of Ordinance After Public Hearing.
- Sunshine Act Resolution of Council.
- Oaths of Office of Mayor, Recorder and Members of Council
- Rate Ordinance

8. **RATES:** The rates were enacted by ordinance effective February 20, 1998, and the City has complied with all requirements of the PSC to make the rates valid and effective, and such rates are in full force and effect.

9. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is "City of Ravenswood", and it is a municipal corporation of the State of West Virginia located in Jackson County, West Virginia. The governing body of the Issuer is the Mayor, its Council consisting of five (5) Council Members and the Recorder and City Clerk whose names, terms and offices are as follows:

<u>Name</u>	<u>Term</u>	<u>Office</u>
Clair Roseberry	June 30, 2001	Mayor
Katherine Garrett	June 30, 2001	Recorder
Joan Turner	June 30, 2001	City Clerk
Dovernor Jarrell	June 30, 2001	Council Member
Gary Lawson	June 30, 2001	Council Member
Lois McCann	June 30, 2001	Council Member
Sue Quillen	June 30, 2001	Council Member
James Scritchfield	June 30, 2001	Council Member

The duly appointed and acting Attorney for the Issuer is Dennis R. Vaughan, Jr.

10. **DELIVERY AND PAYMENT:** On the date hereof, the Bonds are delivered to the Purchaser at Parkersburg, West Virginia, by the undersigned Mayor, and at the time of such delivery, the Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the above-mentioned Bond Ordinance.

At the time of delivery of the Bonds, payment of the principal of, redemption premium and interest on the outstanding Series 1977 Bonds of the Issuer was delivered to the West Virginia Municipal Bond Commission to defease the Series 1977 Bonds. The Bond Proceeds have been deposited in accordance with the terms of the Bond Ordinance.

The Series 1999 Bonds are dated on the date hereof and interest thereon is payable at the rate or rates set forth on the Bonds from such date.

11. **MEETINGS:** All actions, ordinances, supplemental resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the refunding were authorized or adopted at meetings of the Council of the Issuer duly and regularly called and held pursuant to all applicable statutes and the customary procedures of Council, and a quorum of duly elected or appointed, qualified and acting members of the Council was present and acting at all times during all such meetings.

12. **MANAGEMENT:** The Issuer has heretofore developed a plan for the operation and management of the System.

13. **RATES AND CHARGES:** Based upon information submitted by the Certified Public

Accountant, the rates and charges for the System which were approved on February 20, 1998, will, so long as the Bonds are outstanding, provide Net Revenues sufficient to pay (a) the interest upon the Bonds, (b) the principal amount of the Bonds at or before its maturity and (c) a margin of safety or reserve for such Bonds.

14. 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 with respect to a sale or lease of any land, materials, supplies or services to the Issuer, or to any contractor supplying the Issuer, relating to the Bonds, the authorizing document and/or the Project, including without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

WITNESS our signatures and the official corporate seal of the CITY OF RAVENSWOOD on this 30th day of March, 1999.

(SEAL)

SIGNATURE

OFFICIAL TITLE

Calvin Roseberry

Mayor

Katherine Barrett

Recorder

D. R. G. L.

Attorney for Issuer





Smith, Cochran & Hicks, P.L.L.C.

Certified Public Accountants

Beckley Bridgeport Charleston Montgomery

405 Capitol Street • Suite 908 • Charleston, West Virginia 25301 • 304-345-1151 • Fax 304-346-6731

The City of Ravenswood  
Ravenswood, West Virginia

Goodwin & Goodwin, LLP  
Charleston, West Virginia

Crews & Associates, Inc.  
Charleston, West Virginia

United National Bank  
Parkersburg, West Virginia

**\$485,000**  
**City of Ravenswood, West Virginia**  
**Water Revenue Refunding Bonds**  
**Series 1999**

We have reviewed the water service rates which were adopted by the City of Ravenswood, West Virginia (the "City"), in a Rate Ordinance approved on February 20, 1998, and as evidenced by the Tariff filed with the Public Service Commission of West Virginia. It is our opinion that the schedule of rates set forth in the Rate Ordinance and the Tariff are adequate to pay the necessary operation and maintenance expenses of the water system, and all other obligations or indebtedness other than the Bonds issued by the City and sold to United National Bank on March 30, 1999, payable out of the revenues of the water system, and leave an amount equal to at least 110% of the maximum annual debt service requirements of the Bonds.

The operating and maintenance expenses, and anticipated customer usage were provided to us by the City. We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The terms of our engagement are such that we have no obligation to update this report because of events occurring, or data or information coming to our attention subsequent to the date of this report.

This report is not to be referred to or quoted without our prior written consent, except

that reference thereto may be made in the closing documents and opinions of Counsel relating to the Bonds.

Charleston, West Virginia  
March 30, 1999

*Smith, Cochran, Hicks, P.L.L.C.*





Smith, Cochran & Hicks, P.L.L.C.

Certified Public Accountants

Beckley Bridgeport Charleston Montgomery

405 Capitol Street • Suite 908 • Charleston, West Virginia 25301 • 304-345-1151 • Fax 304-346-6731

The City of Ravenswood  
Ravenswood, West Virginia

Crews & Associates, Inc.  
Little Rock, Arkansas

Goodwin & Goodwin, LLP  
Charleston, West Virginia

**\$485,000**  
**City of Ravenswood, West Virginia**  
**Water Revenue Refunding Bonds**  
**Series 1999**

We have examined certain schedules relating to the issuance of the above captioned bond issue (the "Bonds") and the refunding of certain outstanding bonds described herein, prepared on behalf of the City of Ravenswood, West Virginia (the "City") by Crews & Associates, Inc. (the "Underwriter") and provided to us by that firm. The bonds to be refunded consist of the \$690,000 City of Ravenswood, West Virginia Water Revenue Bonds, Series 1977, of which \$560,000 principal amount is currently outstanding (the "Prior Bonds").

The schedules provided to us quantitatively represent the Underwriter's assertions that the anticipated receipts from \$588,360 United States Treasury Time Deposits – State and Local Government Series (the "Escrowed Securities"), together with an initial deposit of \$.38 (the "Initial Cash Deposit"), will be sufficient to pay when due, the interest and the principal of the Prior Bonds scheduled to mature on July 1, 1999 and on that date, redeem the Prior Bonds scheduled to mature after July 1, 1999 at 103% of the principal amount.

Our examination was made in accordance with standards for an examination of prospective financial information established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by the Underwriter and the preparation and presentation of the prospective information.

In our opinion, the anticipated receipts from the Escrowed Securities, together with the Initial Cash Deposit, will be sufficient to pay when due, the interest and the principal of

the Prior Bonds scheduled to mature on July 1, 1999 and on that date, redeem the Prior Bonds scheduled to mature after July 1, 1999 at 103% of the principal amount, assuming all funds received from the Escrowed Securities and the Initial Cash Deposit, are applied as described herein.

The terms of our engagement are such that we have no obligation to update this report because of events occurring, or data or information coming to our attention subsequent to the date of this report.

This report is not to be referred to or quoted without our prior written consent, except that reference thereto may be made in the closing documents and opinions of Counsel relating to the Bonds.

*Smith, Cochran & Hicks, P.L.L.C.*

Charleston, West Virginia  
March 30, 1999

**\$690,000**  
**City of Ravenswood, West Virginia**  
**Water Revenue Bonds**  
**Series 1977**

**Debt Service and Redemption Requirements**

	<i>principal</i>	<i>rate</i>	<i>interest</i>	<i>total</i>	<i>matured</i>	<i>called</i>	<i>premium</i>	<i>interest</i>	<i>total</i>
7/1/99	15,000	6.500%	18,678.13	33,678.13	15,000	545,000	16,350	18,678.13	595,028.13
1/1/00			18,190.63	18,190.63					
7/1/00	15,000	6.500%	18,190.63	33,190.63					
1/1/01			17,703.13	17,703.13					
7/1/01	15,000	6.500%	17,703.13	32,703.13					
1/1/02			17,215.63	17,215.63					
7/1/02	15,000	6.500%	17,215.63	32,215.63					
1/1/03			16,728.13	16,728.13					
7/1/03	20,000	6.500%	16,728.13	36,728.13					
1/1/04			16,078.13	16,078.13					
7/1/04	20,000	6.500%	16,078.13	36,078.13					
1/1/05			15,428.13	15,428.13					
7/1/05	20,000	6.625%	15,428.13	35,428.13					
1/1/06			14,765.63	14,765.63					
7/1/06	25,000	6.625%	14,765.63	39,765.63					
1/1/07			13,937.50	13,937.50					
7/1/07	25,000	6.625%	13,937.50	38,937.50					
1/1/08			13,109.38	13,109.38					
7/1/08	25,000	6.625%	13,109.38	38,109.38					
1/1/09			12,281.25	12,281.25					
7/1/09	30,000	6.625%	12,281.25	42,281.25					
1/1/10			11,287.50	11,287.50					
7/1/10	30,000	6.625%	11,287.50	41,287.50					
1/1/11			10,293.75	10,293.75					
7/1/11	35,000	6.750%	10,293.75	45,293.75					
1/1/12			9,112.50	9,112.50					
7/1/12	35,000	6.750%	9,112.50	44,112.50					
1/1/13			7,931.25	7,931.25					
7/1/13	40,000	6.750%	7,931.25	47,931.25					
1/1/14			6,581.25	6,581.25					
7/1/14	45,000	6.750%	6,581.25	51,581.25					
1/1/15			5,062.50	5,062.50					
7/1/15	45,000	6.750%	5,062.50	50,062.50					
1/1/16			3,543.75	3,543.75					
7/1/16	50,000	6.750%	3,543.75	53,543.75					
1/1/17			1,856.25	1,856.25					
7/1/17	55,000	6.750%	1,856.25	56,856.25					
	\$ 560,000		\$ 440,890.63	\$ 1,000,890.63	\$ 15,000	\$ 545,000	\$ 16,350	\$ 18,678.13	\$ 595,028.13



**\$480,000**  
**City of Ravenswood, West Virginia**  
**Water Revenue Refunding Bonds**  
**Series 1999**

**Verification of Escrow Cash Flow Sufficiency**

	<i>principal</i>	<i>rate</i>	<i>interest</i>	<i>total</i>	<i>requirements</i>	<i>balance</i>
3/30/99						\$ 0.38
7/1/99	588,360	4.460%	6,667.75	595,027.75	(595,028.13)	0.00



P.S.C. W. Va. No. 11  
Canceling P.S.C. W. Va. No. 10

CITY OF RAVENSWOOD, a municipal utility

OF

RAVENSWOOD, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

Public Service Commission  
of W. Va. Tariff Office

WATER

JAN 29 1998

AT

Special Studies Section

Ravenswood and vicinity, Jackson County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION

of

WEST VIRGINIA

Issued November 18, 1997

Effective February 20, 1998

Passed by City Council

Issued by City of Ravenswood, a municipal utility

By Jean Turner  
City Clerk - Treas  
Title

**R** E C E I V E D  
JAN 29 1998  
UTILITIES DIVISION  
SPECIAL STUDIES SECTION

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service and sales for resale

(A) RESIDENTIAL

First	2,000 gallons used per month	\$2.50 per 1,000 gallons
All over	2,000 gallons	\$2.05 per 1,000 gallons

(N) COMMERCIAL

First	2,000 gallons used per month	\$2.50 per 1,000 gallons
All over	2,000 gallons	\$1.60 per 1,000 gallons

(N) INDUSTRIAL

Rate per 1,000 gallons per month	\$1.70 per 1,000 gallons
----------------------------------	--------------------------

(A) RESALE

\$0.83 per 1,000 gallons

(A) MINIMUM CHARGE

5/8 inch meter (based on 2,000 gallons)	\$ 5.00
3/4 inch meter	\$ 7.50
1 inch meter	\$ 12.50
1 -1/2 inch meter	\$ 25.00
2 inch meter	\$ 40.00
4 inch meter	\$125.00

(N) UNMETERED CHARGE

Per month (Based on \$ amount per 4,500 gallons per month) \$10.13

DELAYED PAYMENT PENALTY

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

(R) CONNECTION CHARGES

A service connection charge of \$300.00 will be required prior to service being given.

(N) WATER DISCONNECT - RECONNECT FEES

Whenever water service has been disconnected, a disconnection fee of \$10.00 shall be charged.

Whenever water service that has been previously disconnected is reconnected, a reconnection fee of \$10.00 shall be charged.

(N) RETURNED CHECK CHARGE

Whenever a check is returned for insufficient funds, a service charge of actual cost to the utility (not to exceed \$15.00) shall be charged.

(N) SECURITY DEPOSITS

A refundable security deposit of 1/12th of the estimated annual charge (\$10.13) shall be required prior to service being connected or reconnected. Said deposit will be refunded with interest as stated in the rules after 12 consecutive months of on time payments.

- (A) Indicates advance
- (N) Indicates new
- (R) Indicates reduction

FIRE PROTECTION SCHEDULE

AVAILABILITY OF SERVICE

Available for public and private fire protection service.

RATE

When connections and hydrants are maintained by the City:

Each fire hydrant \$40.00 per year, payable quarterly

When connections, hydrants, sprinklers, etc., are maintained by consumer:

2 inch service line with hydrants, sprinklers, and/or hose connections	\$5.02 per month
3 inch service line with hydrants, sprinklers, and/or hose connections	\$6.08 per month
4 inch service line with hydrants, sprinklers, and/or hose connections	\$8.11 per month
6 inch service line with hydrants, sprinklers, and/or hose connections	\$18.14 per month
8 inch service line with hydrants, sprinklers, and/or hose connections	\$32.21 per month
10 inch service line with hydrants, sprinklers, and/or hose connections	\$50.39 per month
12 inch service line with hydrants, sprinklers, and/or hose connections	\$72.56 per month

100

100

\$485,000  
CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS, SERIES 1999

DIRECTION TO REGISTER BONDS

United National Bank  
Trust Department  
500 Virginia Street, East  
Charleston, WV 25301

Ladies and Gentlemen:

There are delivered to you herewith (or have previously been delivered to you) as Registrar for the above-captioned Bonds:

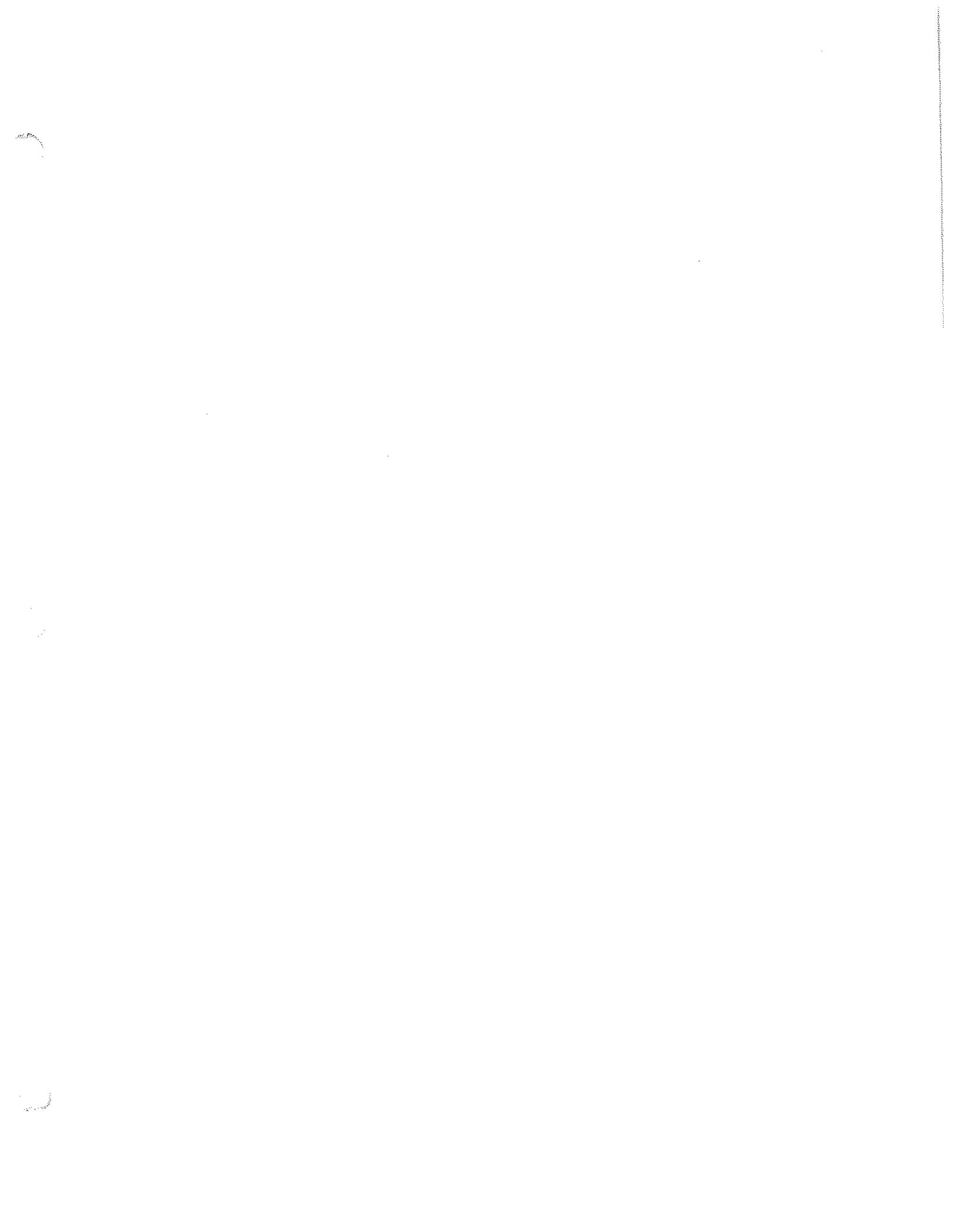
1. Copy of Bond No. R-1 constituting the entire original issue of the City of Ravenswood, Water Revenue Refunding Bonds, Series 1999, dated March 30, 1999, in the aggregate principal amount of \$485,000 (the "Bonds"), executed by the Mayor and Recorder of the City of Ravenswood (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to an Ordinance enacted by the Issuer on March 30, 1999, and a Supplemental Resolution adopted by the Issuer on March 30, 1999 (collectively, the "Ordinance").
2. A copy of the Ordinance duly certified by the Recorder.
3. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to United National Bank, as purchaser of the Bonds.
4. The name in which the Bonds are to be registered upon original issuance, together with taxpayer identification and other information as requested by you.

You are hereby requested and authorized to register the Bonds to United National Bank, as the purchaser thereof.

Dated this 30th day of March, 1999.

CITY OF RAVENSWOOD

By:   
Mayor



This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3. Maturity date (if any): **7/1/2017**

1. Debtor(s) (Last Name First) and address(es)

**City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838**

2. Secured Party(ies) and address(es)

**United National Bank  
514 Market Street  
Parkersburg, WV 26101**

For Filing Officer (Date, Time, Number, and Filing Office)

**0514162  
99 MAR 31 AM 10:01  
WV SECRETARY OF STATE  
FILED**

4. This financing statement covers the following types (or items) of property:

**Statutory mortgage lien on accounts, revenues, water system and other property as provided by Bond Ordinance authorizing the issuance of \$485,000 City of Ravenswood, Water Revenue Refunding Bonds, Series 1999 and by §8-19-8 of the Code of West Virginia of 1931, as amended.**

Signature(s) of Secured Party and Address(es)

**This Financing Statement is filed in connection with a public bond issue of the City of Ravenswood, Jackson County, West Virginia. Pursuant to the provisions of Section 46-9-403(8) of the Code of West Virginia of 1931, as amended, no continuation statements need to be filed to continue this financing statement in effect throughout the term of the underlying bond issue.**

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check  if so)

Filed with:

- already subject to a security interest in another jurisdiction when it was brought into this state.
- which is proceeds of the original collateral described above in which a security interest was perfected:

**Secretary of State of WV**

Check  if covered:  Proceeds of Collateral are also covered.  Products of Collateral are also covered. No. of additional Sheets presented:

**City of Ravenswood**

By: *Clayton Korbarr*  
**Mayor**

By: \_\_\_\_\_  
Signature(s) of Secured Party(ies)

**STANDARD FORM - FORM UCC-1.**

(2) FILING OFFICER COPY-NUMERICAL



This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3. Maturity date (if any): 7/1/2017

1. Debtor(s) (Last Name First) and address(es)  
**City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838**

2. Secured Party(ies) and address(es)  
**United National Bank  
514 Market Street  
Parkersburg, WV 26101**

For Filing Officer (Date, Time, Number, and Filing Office)

**8297**

4. This financing statement covers the following types (or items) of property:  
**Statutory mortgage lien on accounts, revenues, water system and other property as provided by Bond Ordinance authorizing the issuance**

**of \$485,000 City of Ravenswood, Water Revenue Refunding Bonds, Series 1999, and by §8-19-8 of the Code of West Virginia of 1931, as amended. This Financing Statement is filed in connection with a public bond issue of the City of Ravenswood, Jackson County, West Virginia. Pursuant to the provisions of Section 46-9-403(8) of the Code of West Virginia of 1931, as amended, no continuation statements need to be filed to continue this financing statement in effect throughout the term of the underlying bond issue.**

5. Assignee(s) of Secured Party and Address(es)

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check  if so)

- already subject to a security interest in another jurisdiction when it was brought into this state.
- which is proceeds of the original collateral described above in which a security interest was perfected:

Filed with:  
**Clerk of County Commission of Jackson County, WV**

Check  if covered:  Proceeds of Collateral are also covered.  Products of Collateral are also covered. No. of additional Sheets presented:

City of Ravenswood

By: *Celaine Roseberry*  
~~Secured Party~~ Mayor

By: \_\_\_\_\_  
Signature(s) of Secured Party(ies)

STANDARD FORM - FORM UCC-1.

(1) FILING OFFICER COPY-ALPHABETICAL



**\$485,000**  
**CITY OF RAVENSWOOD**  
**WATER REVENUE REFUNDING BONDS,**  
**SERIES 1999**

**NON-ARBITRAGE CERTIFICATE**

I, Clair Roseberry, Mayor of the City of Ravenswood, Jackson County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of Water Revenue Refunding Bonds, Series 1999, in the aggregate principal amount of \$485,000 of the Issuer, dated March 30, 1999 (the "Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code"). I am one of the officers of the Issuer charged with the responsibility of issuing the Bond. I am familiar with the facts, circumstances and estimates herein certified and are duly authorized to execute and deliver this certificate on behalf of the Issuer.

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

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on March 30, 1999, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted to make no use of the proceeds of the Bonds which would cause the Bonds to be an "arbitrage bond" within the meaning of the Code.

6. The Bonds were sold on March 30, 1999, to United National Bank (the "Purchaser"), for an aggregate purchase price of \$485,000 (100% of par).

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purpose of (i) refinancing certain existing indebtedness incurred to make additions, betterments and improvements to the water system of the Issuer, and (ii) paying costs of issuance and other costs in connection therewith.

8. The total cost of refunding the existing debt is \$485,000. Sources and uses of funds for such refunding are as follows:

SOURCES

Bonds	\$485,000.00
Transfer from Prior Bonds DSR Fund	133,886.71
Transfer from Prior Bonds Sinking Fund	<u>20,589.06</u>
Total Sources	<u>\$639,475.77</u>

USES

Refunding of Prior Bonds	\$588,301.25
Costs of Issuance	39,049.52
Placement Agent's Fee	<u>12,125.00</u>
Total Uses	<u>\$639,475.77</u>

9. Pursuant to Article V of the Ordinance, the following special funds or accounts have been created or continued:

- (1) Revenue Fund;
- (2) Refunding Account;
- (3) Operation and Maintenance Fund;
- (4) Depreciation Fund; and
- (5) Series 1999 Bond Sinking Fund.

10. Pursuant to the Ordinance, the proceeds of the Bonds will be deposited in the Refunding Account and applied to repayment of existing debt as well as costs of issuance of the Bonds and related costs.

11. Moneys held in the Series 1999 Bond Sinking Fund will be used solely to pay principal of and interest on the Bonds.

12. Except for the Series 1999 Bond Sinking Fund, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for Bonds, and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds, if the Issuer encounters financial difficulties. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts or other investment-type property producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds.

13. The Issuer will comply with the provisions of the Code for which the effective date

precedes the date of delivery of the Bonds to the Purchaser.

14. Any money deposited in the Series 1999 Bond Sinking Fund for payment of the principal and interest on the Bonds will be spent within a 13 month period beginning on the date of receipt, and any moneys received from the investment of amounts held in the Series 1999 Bond Sinking Fund will be spent within a 1-year period beginning on the date of receipt.

15. All the proceeds of the Bonds will be expended for refunding existing debt and payment of costs of issuance within sixty (60) days from March 30, 1999.

16. The amounts designated as costs of issuance of the Bonds consist only of costs which are directly related to and necessary for the issuance of the Bonds.

17. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

18. No more than ten percent (10%) of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than five percent (5%) of the proceeds of the Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

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

20. The Issuer shall use the proceeds of the Bonds solely for refunding existing debt and paying costs of issuance thereof, and the Issuer's waterworks system will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Issuer shall not permit at any time or times any of the proceeds of the Bonds, or any other funds of the Issuer, to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as a "private activity bond" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

22. The Bonds, in whole or in part, will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

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

24. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code. The yield on the Bonds is four and 99/100 percent (4.99%).

25. The Issuer shall submit to the Internal Revenue Service within fifteen (15) days following the end of the Issuer's Bond Year, a certified copy of its rebate calculation, but if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, then the Issuer shall submit to the Bank a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

26. The Issuer has general taxing powers to finance operations of or facilities of the nature of its waterworks system, and the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 of tax-exempt obligations during the calendar year in which the Bonds are to be issued (1999) and has issued no other tax-exempt obligations during the current calendar year (or if the Issuer has issued tax-exempt obligations, the total of all bonds issued will be less than the \$5,000,000).

27. The Issuer will rebate to the United States the amount, if any required by the Code and will take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

28. The Issuer covenants and agrees to comply with the rebate requirements of the Code, if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds. In addition, the Issuer has covenanted to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code and has covenanted to take such actions, and refrain from taking such actions, as may be necessary to fully comply with Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Ordinance authorizing issuance of the Bonds.

29. The Vaughan Law Firm is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

30. The Issuer expects that no part of its waterworks system will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

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

Dated this 30th day of March, 1999.

CITY OF RAVENSWOOD

By: Calvin G. Berry  
Mayor



\$485,000  
CITY OF RAVENSWOOD  
WATER REVENUE REFUNDING BONDS, SERIES 1999

REGISTRAR CERTIFICATE

United National Bank, Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the meanings set forth in the Ordinance of the City of Ravenswood (the "Issuer") enacted on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance"):

1. The Bank is a national association duly organized and validly existing under the laws of the United States of America, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Ordinance and to serve in the capacity of Registrar under the Ordinance.

2. The Bank has duly authorized, by all necessary action, the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Ordinance, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the issuance of the Bonds, and is now, a duly appointed, qualified and acting incumbent in her office; and, pursuant to authorization from the Bank, such person, in her official capacity, was and is authorized to act for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of her signature.

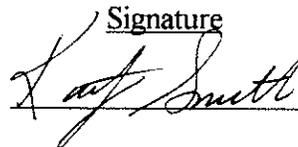
Name

Title

Signature

Kathy Smith

Vice President



5. The seal of the Bank is the same seal of which an impression appears below.
6. There have been filed with the Bank all of the documents listed in Section 3.05 of the Ordinance; the Bonds have been duly delivered to United National Bank, and proceeds of the Bonds have been deposited as required by the Ordinance.
7. Attached hereto as EXHIBIT A is a correct listing of the Bond number, principal amount, maturity date and interest rate of the Bonds.

IN WITNESS WHEREOF, UNITED NATIONAL BANK has caused this Certificate to be executed by a duly authorized officer, this 30th day of March, 1999.

[SEAL]

UNITED NATIONAL BANK

By: Andy J. Misk

Its: Assistant Secretary

EXHIBIT A

\$485,000  
CITY OF RAVENSWOOD  
WATER REVENUE REFUNDING BONDS, SERIES 1999

<u>BOND NO.</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
R-1	\$ 485,000	May 1, 2017	5.00%



\$485,000  
CITY OF RAVENSWOOD  
WATER REVENUE REFUNDING BONDS, SERIES 1999

PAYING AGENT CERTIFICATE

West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), as Paying Agent for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the meanings set forth in the Ordinance of the City of Ravenswood (the "Issuer") enacted on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance"):

1. The Commission is a governmental entity duly organized and validly existing under the laws of the State of West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided in a Paying Agent Agreement with the Issuer and to serve in the capacity of Paying Agent.

2. The Commission has duly authorized, by all necessary action, the execution and delivery of this Certificate and the acceptance of all duties of Paying Agent, and any and all other documents and agreements as may be required to be executed, delivered and received by the Commission in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated below was at the time of the issuance of the Bonds, and is now, a duly appointed, qualified and acting incumbent in his office; and, pursuant to authorization from the Commission, such person, in his official capacity, was and is authorized to act for and on behalf of the Commission.

Name

Title

R. Witter Hallan

Executive Director

4. There have been filed with the Commission all of the documents related to the issuance of the Bonds, the Bonds have been duly delivered to United National Bank, and proceeds of the Bonds have been deposited as required by the Ordinance.

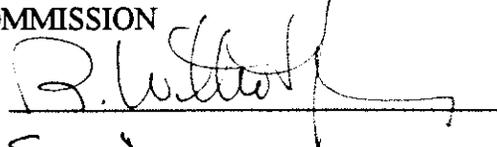
5. Attached hereto as EXHIBIT A is a correct listing of the Bond number, principal amount, maturity date and interest rate of the Bonds.

IN WITNESS WHEREOF, West Virginia Municipal Bond Commission has caused this Certificate to be executed by a duly authorized officer, as of this 30th day of March, 1999.

[SEAL]

WEST VIRGINIA MUNICIPAL BOND  
COMMISSION

By:

A handwritten signature in cursive script, appearing to read "R. Wilcox", written over a horizontal line.

Its:

A handwritten signature in cursive script, appearing to read "Exec Dir", written over a horizontal line.

EXHIBIT A

\$485,000

CITY OF RAVENSWOOD  
WATER REVENUE REFUNDING BONDS, SERIES 1999

<u>BOND NO.</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
R-1	\$ 485,000	May 1, 2017	5.00%



VAUGHAN LAW FIRM  
*Attorneys and Counsellors at Law*

DENNIS R. VAUGHAN, JR.

SUITE 200 CAPITOL CENTRE  
232 CAPITOL STREET  
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900  
TELECOPY (304) 344-2386

March 30, 1999

City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838

United National Bank  
314 Market Street  
Parkersburg, WV 26101

RE: \$485,000 City of Ravenswood (West Virginia)  
Water Revenue Refunding Bonds, Series 1999

Ladies and Gentlemen:

As attorney for the City of Ravenswood, Jackson County, West Virginia (the "City"), I have examined the record of proceedings relating to the issue of the City of Ravenswood, Water Revenue Refunding Bonds, Series 1999 (the "Bonds") and have considered the validity of the bond issue. In this connection I have examined and am familiar with the constitution and statutes of the State of West Virginia, including Chapter 8, Article 19 and Chapter 13, Article 2E of the Code of West Virginia of 1931, as amended, the City's Charter, related minutes, a certified copy of the Ordinance passed by the City (the "Ordinance"), the water rates necessary to pay for the Bonds as described in a Rate Ordinance authorizing the same, and other documents incidental and material to the issuance by the City of the Bonds. From such familiarity and examination, I am of the opinion as follows:

1. The City is a duly created and presently existing municipality and political subdivision of the State of West Virginia with full power and authority to operate and maintain the Water System and to issue and sell the Bonds, all under the provisions of Chapter 8, Article 19 and Chapter 13, Article 2E (collectively, the "Act"), of the Code of West Virginia of 1931, as amended, and other applicable provisions of law.
2. The City, through City Council (the "Council"), has legally and effectively enacted the Ordinance and has duly authorized the issuance and delivery of the Bonds to United National Bank, and the Mayor of the City is duly and lawfully entitled to and authorized to execute the Bonds.
3. The Mayor, Recorded and members of the Council have been duly elected or appointed and have fulfilled all requirements necessary to carry on their duties as provided under the Act.
4. The Bonds constitute a valid and legally enforceable special obligation of the City secured by and payable solely from a first lien on and pledge of the net revenue of the System, as described in the Ordinance, all in accordance with the terms of the Bonds and the Ordinance.

5. The City, through its Council, has legally and effectively enacted the water rates necessary to make the payments on the Bonds from the rates described in a Rate Ordinance, and it has lawfully enacted and has filed a tariff which has been approved by the West Virginia Public Service Commission for the water rates that are described within such Rate Ordinance.

6. The City, through its Council, has legally and effectively enacted all other ordinances, resolutions, contracts and agreements that are necessary to comply with the Purchase Letter received from United National Bank and has complied with all necessary provisions of the Ordinance necessary before the Bonds may be issued and delivered and so that the Bonds can, in fact, be lawfully issued and delivered.

7. The execution and delivery of the Bonds and the enactment of the Ordinance and compliance with the provisions of them will not conflict with nor constitute a breach of or default under any agreement or other instrument known to us to which the City is a party, or any court order or consent decree known to us to which the City is subject, or any law or administrative regulation to which the City is subject.

8. All authorization, consents, approvals and reviews by governmental bodies or regulatory authorities then required for the City's adoption, execution or performance of the Bonds and the Ordinance have been obtained or affected, and I have no reason to believe that the City will be unable to obtain or affect any additional such authorizations, consents or approvals that may be required in the future for performances of any of them by the City.

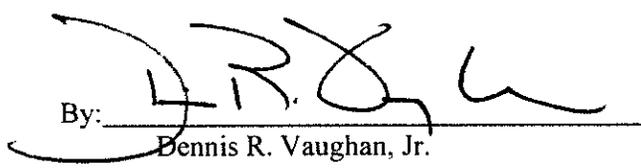
9. To my knowledge, there is not action, suit, proceeding or investigation at law or in equity by any court, public board or body, pending or threatened against or affecting the City or any member of the Council, and no facts exist relating to the composition of the Council or the exercise of their duties, wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the validity of the Bonds or the Ordinance.

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

The foregoing opinion is qualified to the extent that the enforceability of the liens, pledges and terms set forth in the Bonds and in the Bond Ordinance may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally.

Very truly yours,

VAUGHAN LAW FIRM

By: 

Dennis R. Vaughan, Jr.

2

2

VAUGHAN LAW FIRM  
*Attorneys and Counsellors at Law*

DENNIS R. VAUGHAN, JR.

SUITE 200 CAPITOL CENTRE  
232 CAPITOL STREET  
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900  
TELECOPY (304) 344-2386

March 30, 1999

United National Bank  
314 Market Street  
Parkersburg, WV 26101

City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838

RE: \$485,000 City of Ravenswood (West Virginia)  
Water Revenue Refunding Bonds, Series 1999

Ladies and Gentlemen:

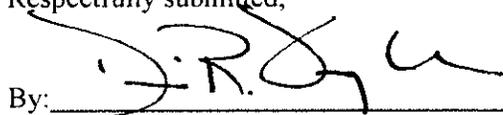
I have examined a transcript of proceedings relating to the issuance of the Water Revenue Refunding Bonds, Series 1999, in the amount of \$485,000 (the "Bonds"), of the City of Ravenswood, Jackson County, West Virginia (the "Issuer"), and a "Non-Arbitrage Certificate" executed by the Mayor of the Issuer on this date.

Based upon such Certificate, I am of the opinion that the facts, estimates and circumstances set forth therein are sufficient to satisfy the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), to support the conclusion that the Bonds are not an "arbitrage bond" as therein defined. While I have undertaken no independent investigation or verification of the statements, expectations or representations set forth in such Certificate, no matters have come to my attention which make unreasonable or incorrect such statements, expectations or representations.

Accordingly, it is my opinion that, under existing statutes, regulations, rulings and court decisions, the Bonds are not an "arbitrage bond" as so defined.

The opinions set forth above are subject to the condition that the Issuer comply with all requirements of the Code relating to arbitrage that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

Respectfully submitted,

By: 

Dennis R. Vaughan, Jr.



VAUGHAN LAW FIRM  
*Attorneys and Counsellors at Law*

DENNIS R. VAUGHAN, JR.

SUITE 200 CAPITOL CENTRE  
232 CAPITOL STREET  
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900  
TELECOPY (304) 344-2386

March 30, 1999

City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838

United National Bank  
314 Market Street  
Parkersburg, WV 26101

RE: \$485,000 City of Ravenswood (West Virginia)  
Water Revenue Refunding Bonds, Series 1999

Ladies and Gentlemen:

I have examined a record of proceedings relating to the issuance by the City of Ravenswood (the "Issuer") of its Water Revenue Refunding, Series 1999, in the principal amount of \$485,000, bearing interest on the unpaid principal balance from date of delivery at the rates specified therein per annum, and dated on the date hereof (the "Bonds").

The Bonds have been authorized by a Bond Ordinance duly enacted by the City Council of the Issuer, which is the governing body of the Issuer, on March 30, 1999, as supplemented by a Supplemental Resolution duly adopted on March 30, 1999 (collectively, the "Bond Ordinance").

Principal and interest on the Bonds are payable in semi-annual installments for eighteen (18) years after delivery of the Bonds, the final installment to be in the sum of the unpaid principal and interest due on the date thereof.

Principal installments upon the Bonds are subject to payment in advance as provided therein and in the Bond Ordinance.

The Bond Ordinance and the Bonds provide that the issue is for the purpose of refinancing certain existing indebtedness associated with the existing water system (the "System") of the Issuer.

In rendering this opinion, I have relied, in part, upon the General Certificate of the Issuer.

It is my opinion that:

1. The Issuer is a duly organized and presently existing municipality and is a public corporation and a political subdivision of the State of West Virginia with full power and authority to refund the existing indebtedness of the System and issue and sell the Bonds, all under the provisions of

Chapter 8, Article 19 and Chapter 13, Article 2E (collectively, the "Act"), of the Code of West Virginia of 1931, as amended, and other applicable provisions of law.

2. The Issuer, through its Council, has legally and effectively adopted the Bond Ordinance in connection with the bond issue and issued, sold and delivered the Bonds to United National Bank.

3. As of this date, the Bonds are in due and proper form and have been duly executed and delivered and constitute a valid and legally enforceable special obligation of the Issuer secured by and payable solely from a statutory lien with the Bonds, as described in the Bond Ordinance, and a pledge of the net revenues of the System, all in accordance with the terms of the Bonds and the Bond Ordinance.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as described for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

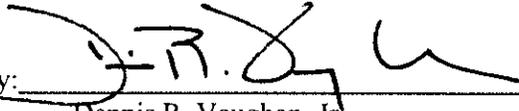
5. The Bonds and the interest thereon are, under the Act, exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

Respectfully submitted,

VAUGHAN LAW FIRM

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

  
Dennis R. Vaughan, Jr.



VAUGHAN LAW FIRM  
*Attorneys and Counsellors at Law*

DENNIS R. VAUGHAN, JR.

SUITE 200 CAPITOL CENTRE  
232 CAPITOL STREET  
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900  
TELECOPY (304) 344-2386

March 30, 1999

City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838

Crews & Associates, Inc.  
930 One Valley Square  
Charleston, WV 25301

RE: \$485,000 City of Ravenswood (West Virginia)  
Water Revenue Refunding Bonds, Series 1999

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the issuance and sale by the City of Ravenswood (West Virginia) (the "Issuer") of its 485,000 aggregate principal amount of Water Revenue Refunding Bonds, Series 1999 (the "Bonds"). As Bond Counsel, we have examined certain documents consisting of (i) the Bond Ordinance of the Issuer duly enacted on March 30, 1999, as supplemented by a Supplemental Resolution duly adopted on March 30, 1999 (collectively, the "Ordinance"); (ii) a Placement Agent's Agreement dated March 30, 1999 (the "Placement Agent's Agreement"), executed by Crews & Associates, Inc. (the "placement Agent") and accepted by the Issuer; and (iii) an Escrow Agreement dated March 30, 1999, by and between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent (the "Escrow Agreement"). All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Ordinance and the Placement Agent's Agreement.

Based upon the foregoing and upon such other information and documents as we consider necessary for the purpose of rendering this opinion, we are of the opinion that:

1. The Placement Agent's Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Placement Agent, constitutes a valid and binding agreement of the respective parties thereto in accordance with its terms.
2. The Issuer, under the Act, has full power and authority to enact the Ordinance, enter into the Placement Agent's Agreement and perform its obligations thereunder.
3. The Ordinance has been duly enacted, is in full force and effect and no further action of the Issuer is required for its continued validity.
4. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and nothing need be qualified as an indenture pursuant to the Trust Indenture Act of 1939, as

amended, and the Bonds are exempt from registration under the West Virginia Uniform Securities Act, as amended.

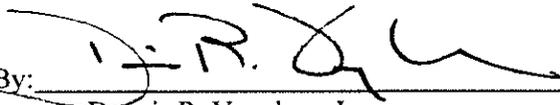
5. The Prior Bonds are deemed to be paid and not to be outstanding for purposes of the Ordinance authorizing their issuance and the covenants, agreements and other obligations of the Issuer to the holders of Prior bonds have been discharged and satisfied.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Ordinance and the Placement Agent's Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion may be relied upon by all counsel to this transaction as if specifically addressed them.

Very truly yours,

VAUGHAN LAW FIRM

By:   
Dennis R. Vaughan, Jr.



LAW OFFICES  
**GOODWIN & GOODWIN, LLP**  
P. O. BOX 2107  
1500 ONE VALLEY SQUARE  
CHARLESTON, WEST VIRGINIA 25328-2107  
304/346-7000  
TELECOPIER 304/344-9992

201 THIRD STREET  
PARKERSBURG, WEST VIRGINIA 26101  
304/185-2345

P. O. BOX 349  
500 CHURCH STREET  
RIPLEY, WEST VIRGINIA 25271  
304/372-2651

REPLY TO:  
Charleston

March 11, 1999

Mr. R. Witter Hallan, Executive Director  
West Virginia Municipal Bond Commission  
812 Quarrier Street, Suite 300  
Charleston, West Virginia 25301

Re: \$485,000 CITY OF RAVENSWOOD  
WATER REVENUE REFUNDING BONDS, SERIES 1999

Dear Witter:

Please be advised that the City of Ravenswood intends to issue its Water Revenue Refunding Bonds, Series 1999, the proceeds of which, together with other available funds, will be used to refund the outstanding Waterworks Revenue Bonds, Series 1977, dated July 1, 1977, to their next redemption date, being July 1, 1999.

The City of Ravenswood would like the Bond Commission to serve as Registrar and Paying Agent and as Escrow Agent. I will send you draft copies of all transcript documents including the proposed Escrow Agreement, Waiver of Notice of Redemption and Certificate of Defeasance relating to the refunding. We hope to close this issue on March 30, 1999. Please give me a call if you have any questions.

Sincerely yours,



William K. Bragg, Jr.

WKB/bas  
cc: Drew Payne



\$485,000  
CITY OF RAVENSWOOD (WEST VIRGINIA)  
WATER REVENUE REFUNDING BONDS, SERIES 1999

JOINT CERTIFICATE OF ISSUER AND ESCROW AGENT

The undersigned, CLAIR ROSEBERRY, Mayor of the City of Ravenswood, a municipal corporation of the State of West Virginia (the "Issuer"), and the undersigned, R. WITTER HALLAN, Executive Director of the West Virginia Municipal Bond Commission (the "Escrow Agent"), hereby jointly certify as follows in connection with the above-captioned Bond issue.

1. We have executed on behalf of the Issuer and the Escrow Agent, respectively, the Escrow Agreement between the Issuer and the Escrow Agent, dated March 30, 1999.

2. The Bond Proceeds and moneys on deposit in the Escrow Fund pursuant to the Escrow Agreement are in amounts sufficient to discharge the Prior Bonds described in the Escrow Agreement, including payment of the entire principal of, redemption premium and interest accrued thereon to the redemption date thereof, being July 1, 1999, and the liens of the Prior Bonds and the ordinance pursuant to which the Prior Bonds were issued have been discharged.

WITNESS our signatures this 30th day of March, 1999.

CITY OF RAVENSWOOD

By: Clair Roseberry  
Mayor

WEST VIRGINIA MUNICIPAL BOND  
COMMISSION

By: R. Witter Hallan  
Executive Director



**Allstate Insurance Company**  
3075 Sanders Rd  
Northbrook IL 60062-7127  
Bus: 847-402-5000

**Allstate**  
You're in good hands.

March 22, 1999

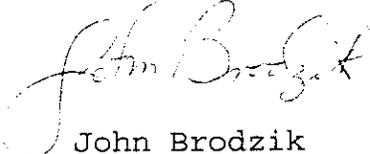
Ms. Clair Roseberry  
Mayor  
City of Ravenswood  
212 Walnut Street  
Ravenswood, West Virginia 26164

RE: The City of Ravenswood, West Virginia  
Waterworks Revenue Bonds, Series 1977 Bonds

Dear Ms. Roseberry:

Allstate Insurance Company is the sole bond holder of the remaining \$560,000 par value of the above-referenced bond issue. Pursuant to your request, we are waiving publication of the Notice of Redemption for the July 1, 1999 redemption in whole or in part at 103. This waiver applies to the July 1, 1999 redemption only. All future waivers must be addressed separately.

Sincerely,



John Brodzik  
Head of Research

cc: Lori Havlicek  
Bank of New York



CERTIFICATE OF DEFEASANCE OF BONDS

I, R. Witter Hallan, Executive Director of the West Virginia Municipal Bond Commission (the "Commission"), hereby certify that on March 30, 1999, the Commission received proceeds sufficient to defease all remaining debt service on the \$690,000 City of Ravenswood, West Virginia, Waterworks Revenue Bonds, Series 1977, dated July 1, 1977 (the "Bonds"), of which \$560,000 is currently outstanding. The total amount received was \$433,884.61 which, together with \$154,475.77 already on deposit with the Commission, totals \$588,360.38 and constitutes the amount necessary to defease the Bonds.

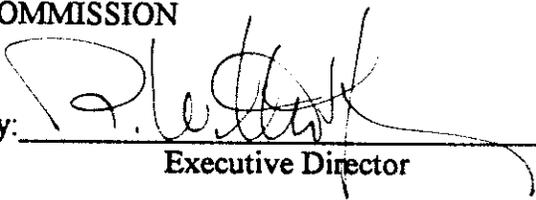
Accordingly, the Commission certifies as follows:

- (1) The Bonds issued by the City of Ravenswood, West Virginia, on July 1, 1977, have been defeased; and
- (2) The obligations of the City of Ravenswood under the Ordinance adopted March 15, 1977, have been satisfied in full.

Given under my hand this 30th day of March, 1999.

WEST VIRGINIA MUNICIPAL BOND  
COMMISSION

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

  
Executive Director



ESCROW AGREEMENT  
BETWEEN  
CITY OF RAVENSWOOD, WEST VIRGINIA AND  
WEST VIRGINIA MUNICIPAL BOND COMMISSION, AS ESCROW TRUSTEE

THIS ESCROW AGREEMENT (herein called "Agreement") made as of the 30th day of March, 1999, between the City of Ravenswood, West Virginia (the "Issuer") and the West Virginia Municipal Bond Commission, as Escrow Trustee (the "Commission").

WITNESSETH:

WHEREAS, the Issuer has heretofore authorized, sold and delivered its \$485,000 City of Ravenswood, West Virginia, Water Revenue Refunding Bonds, Series 1999 (herein called the "Bonds"), pursuant to an Ordinance enacted and adopted by the Issuer and effective on March 30, 1999, and as supplemented by a Supplemental Resolution passed by the Issuer on March 30, 1999, and as an adjunct thereof intends to defease its \$690,000 City of Ravenswood, West Virginia, Waterworks Revenue Bonds, Series 1977 (the "Refunded Bonds"), which were issued pursuant to an Ordinance adopted by the Issuer and effective on March 15, 1977 (the "Prior Ordinance") for the purpose of paying the cost of constructing certain water system facilities;

WHEREAS, the Commission, in its capacity as Paying Agent under the Prior Ordinance, has received instructions to redeem the Refunded Bonds pursuant to Article III of the Prior Ordinance and has received a waiver of the notice of redemption from the holder of the Refunded Bonds; and

WHEREAS, it is the intent of this Agreement to provide for the application of funds in such manner as to cause the principal of and accrued interest on the Refunded Bonds to be paid in full on July 1, 1999, pursuant to the Waiver of Notice of Redemption of the Refunded Bonds, a copy of which is attached hereto.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants herein contained, and in order to provide for the payment of the principal of and interest on the Refunded Bonds at their redemption on July 1, 1999, the parties hereto covenant, agree and bind themselves as follows:

Section 1. There is hereby created by the Issuer and ordered maintained in a separate deposit account (except when invested as hereinafter provided) in the custody of the Commission in the name of the Issuer a trust fund to be designated "City of Ravenswood, West Virginia Escrow Fund for the Waterworks Revenue Bonds" (the "Escrow Fund").

Section 2. Simultaneously with the issuance and sale of the Bonds, which shall occur not later than March 30, 1999, the Issuer shall deliver \$433,884.61 to the Escrow Trustee for deposit in the Escrow Fund. The Commission shall transfer to the Escrow Fund all funds held by it under the Prior Ordinance, being \$154,475.77. The total of both amounts shall be sufficient to defease the Refunded

Bonds on March 30, 1999, which Refunded Bonds shall be redeemed on July 1, 1999, to-wit 100% of the principal amount of the Refunded Bonds called for redemption, plus redemption premium and plus accrued interest thereon to July 1, 1999. The resulting balance required to be on deposit in the Escrow Fund on March 30, 1999, is agreed to be \$588,360.38. The investment of \$588,360.38 in a State and Local Government Security from March 30, 1999, to July 1, 1999, at a rate of 4.46% will yield \$6,667.75, which will result in an Escrow Fund balance of \$595,028.13 being the amount necessary to redeem the Prior Bonds on July 1, 1999, calculated as follows:

100% of Principal Amount of Outstanding Refunded Bonds Anticipated to be Redeemed on July 1, 1999	\$560,000.00
Redemption Premium	16,350.00
Accrued interest on all Refunded Bonds to July 1, 1999	<u>18,678.13</u>
<b>TOTAL AMOUNT REQUIRED TO REDEEM PRIOR BONDS ON JULY 1, 1999</b>	<b><u>\$595,028.13</u></b>

If so requested by the Issuer, the Commission shall invest such monies deposited into the Escrow Fund (or so much thereof as shall be practical) in investments maturing on or before July 1, 1999, providing that the Commission shall not purchase such investments at a price (including all commissions and transactional costs) greater than the face amount thereof. On July 1, 1999, the Commission shall pay to the Issuer the amount of any income earned on such investments (net of all commissions and transactional costs).

Section 3. The Escrow Fund shall be held by the Commission and shall be used solely to pay the principal of and interest on the Refunded Bonds due and payable on July 1, 1999. Any income derived from the Escrow Fund shall be used to pay the Commission's fees and expenses. The Commission, in its capacity as Escrow Trustee, agrees such monies will be used solely for the purpose as above described and the deposit of such monies in the Escrow Fund shall be irrevocable, and the Commission agrees it will not surrender or otherwise attempt to redeem or otherwise negotiate the investments in the Escrow Fund except as they shall come due. Subject to the foregoing requirements for the use of the Escrow Fund and the monies and investments therein, the Issuer covenants and agrees that the Commission shall have full and complete control and authority over and with respect to the Escrow Fund and monies and investments therein and that the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the monies and investments thereon.

Section 4. Upon funding of the Escrow Fund in the amount described in Section 2 above, the Commission, having received instructions to redeem the Refunded Bonds pursuant to Article III of the Prior Ordinance, shall give notice to the holders of the Refunded Bonds and, on July 1, 1999, shall declare the principal of all Refunded Bonds plus accrued interest thereon to July 1, 1999, to be

immediately due and payable.

Section 5. Upon defeasance of the Refunded Bonds, the Commission shall deliver to the Issuer a Certificate of Defeasance and such other instruments as are requested of it to evidence full payment and satisfaction of the Refunded Bonds.

Section 6. The trust and fiduciary relationship created by this Agreement is irrevocable and intended for the benefit of the holders of the Refunded Bonds. The monies in the Escrow Fund are hereby dedicated and pledged for the payment of the principal of and interest on the Refunded Bonds, and such monies are subject to the lien of such pledge which is valid and binding against the holders of the Refunded Bonds. Such monies and investments shall be used for the purposes herein stated, and the lien and security of this Agreement shall take effect from the date hereof without regard to the date of actual execution and delivery of this Agreement and shall remain in full force and effect until the terms of this Agreement have been satisfied and the monies and the investments in the Escrow Fund have been applied as herein contemplated.

Section 7. This Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Commission, and the holders of the Refunded Bonds and their respective successors and assigns subject to the provisions of this Agreement.

THIS AGREEMENT may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Issuer and the Commission have caused this Agreement to be executed in their name and on their behalves by their duly authorized officers, all as of the day, month and year first above written.

CITY OF RAVENSWOOD, WEST VIRGINIA

(SEAL)

By: Colin Roseberry  
Mayor

ATTEST:

Katherine Barrett  
Recorder

WEST VIRGINIA MUNICIPAL BOND  
COMMISSION

By: [Signature]  
Executive Director



March 30, 1999

\$485,000  
City of Ravenswood, West Virginia  
Water Revenue Refunding Bonds, Series 1999

City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838

Goodwin & Goodwin, LLP  
P.O. Box 2107  
Charleston, WV 25328

Crews & Associates, Inc.  
930 One Valley Square  
Charleston, WV 25301

Ladies and Gentlemen:

In connection with the issuance of the above-captioned bonds (the "Bonds"), the undersigned hereby confirms that we are purchasing the entire \$485,000 principal amount of the Bonds, issued by the City of Ravenswood (the "Issuer"), pursuant to an Ordinance of the Issuer enacted on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance"). Capitalized terms used in the Ordinance and not otherwise defined herein shall have the same meanings when used herein as in the Ordinance, unless the context otherwise requires. In consideration of the issuance and delivery of the Bonds, and as an inducement thereto, the purchaser hereby makes the following representations and warranties:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of corporate securities and municipal and other obligations, including, without limitation, tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Bonds. We are aware that the revenues of the Issuer's waterworks involve certain economic variables and risks that could adversely affect the security of our investment in the Bonds.

2. We have received and examined the Ordinance and have received and examined the form of this letter.

3. We understand that the entire principal of, premium (if any) and interest on the Bonds are payable by the Issuer solely from the revenues derived from, or in connection with, the operation of the Issuer's waterworks and the funds or property pledged therefor; that the Bonds are special and limited obligations of the Issuer and are not general obligations or secured by any obligation or pledge of any monies received or to be received from taxation by the Issuer, the State of West Virginia or any political subdivision or taxing district thereof; that the Bonds do not now and shall never constitute an indebtedness or constitute or give rise to a pecuniary liability or be a pledge of or charge against the property, faith and credit or taxing power, if any, of any such entity or entities; and that we have no right to have taxes levied by any taxing authority or any such aforementioned entity or entities for the payment of principal, premium, if any, and interest on the Bonds.

4. We understand that no official statement, offering statement, prospectus, offering circular or other statement containing material information with respect to the Issuer, the Bonds or the Issuer's waterworks is being issued or otherwise represented. We have with due diligence made our own inquiry and analysis, to the extent we have deemed necessary, with respect to the Issuer, the Bonds and the security therefor and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

5. We are familiar with the operations of the Issuer's waterworks and acknowledge that, during the course of the transaction and prior to the sale of the Bonds, we have either been supplied with or have had access to information, including financial statements and financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals, including, but not limited to, The Vaughan Law Firm, as Bond and Issuer's counsel, the Issuer, concerning the Issuer, the Issuer's waterworks, the Bonds and the security therefor so that, as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us. We acknowledge that neither the Issuer nor The Vaughan Law Firm, as Bond and Issuer's counsel, has undertaken steps to ascertain the accuracy or completeness of any information furnished to us relating to the business, operations, financial condition or future prospects of the Issuer, and The Vaughan Law Firm, as Bond and Issuer's counsel, have made no representations concerning the accuracy or completeness of any information supplied to us by or relating to the Issuer's waterworks.

6. Because of our experience in financial and business matters, we feel that we are qualified to make the inquiry and analysis described in paragraph 4 and to understand fully the documents and information described in paragraphs 2 and 5.

7. We understand that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes and, thus, included in gross income for federal income tax purposes, retroactive to the date hereof. We also understand that under

the Code, interest on obligations, such as the Bonds, is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes) and which would impose an alternative minimum tax on a portion of the excess of adjusted current earnings, could subject part of the interest on the Bonds received by corporations to such corporate alternative minimum tax. Additionally, we understand that for tax years beginning after 1986 and before 1996, interest on the Bonds earned by some corporations could be subject to the environmental tax imposed by Section 8 of the Code and enacted by the Superfund Revenue Act of 1986, and that for taxable years beginning after 1986, interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to the branch profits tax imposed by the Code.

8. We understand that the Bonds are not being registered under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) will not be listed on any stock or other securities exchange, (iii) will carry no rating from any rating service, and (iv) will not be readily marketable.

9. We are purchasing the Bonds for investment in our own account and do not currently intend to divide our interest with others or to resell or otherwise dispose of all or any part of the Bonds purchased by us.

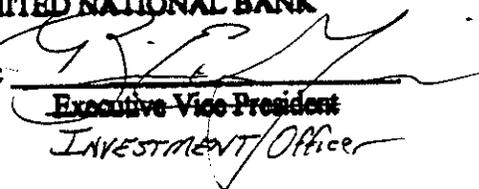
10. We have satisfied ourselves that the Bonds are a lawful investment for us under all applicable laws.

We have received the opinions of The Vaughan Law Firm delivered in connection with the Bonds. We have relied upon such opinions, and upon the advice of our legal counsel, as to the legal conclusions set forth in such opinions, subject to any limitations set forth therein.

We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter.

Very truly yours,

UNITED NATIONAL BANK

By: 

Executive Vice President

INVESTMENT OFFICER



**\$485,000**  
**CITY OF RAVENSWOOD**  
**WATER REVENUE REFUNDING BONDS, SERIES 1999**

**PLACEMENT AGENT'S AGREEMENT**

March 30, 1999

City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838

Gentlemen:

Upon the terms and conditions contained in this Placement Agent's Agreement, the undersigned, Crews & Associates, Inc. (the "Placement Agent"), hereby offers to place on behalf of the City of Ravenswood, West Virginia (the "Issuer"), its \$485,000 City of Ravenswood, West Virginia, Water Revenue Refunding Bonds, Series 1999 (the "Bonds"), for purchase by "Accredited Investors", as such are defined under Securities and Exchange Rule 501(a), to be issued under and pursuant to a Bond Ordinance (the "Ordinance") enacted by the Issuer on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance"), for purchase by United National Bank, Parkersburg, West Virginia.

**SECTION 1. PURCHASE, SALE AND DELIVERY OF THE BONDS.**

Subject to the terms and conditions herein set forth, at the Closing Time the Placement Agent agrees to place for purchase, by Accredited Investors, the Bonds for a fee of \$12,125.00. The Bonds shall be sold only to such Accredited Investors in accordance with the terms of and based upon representations made in an Investment Letter, a copy of which is attached hereto as Exhibit A.

The bonds shall be issued under and secured as provided in the Indenture. The Bonds will be payable (except to the extent payable from proceeds of the sale of the Bonds and the earnings from the temporary investment thereof) out of the revenues from the operation of the Issuer's waterworks system. The Bonds shall mature, shall bear interest at the interest rate and be subject to redemption as set forth in the Ordinance.

The Placement Agent will cause payment for the Bonds to be made in bank clearing house funds by certified or official bank check or draft payable to the order of the Municipal Bond Commission for the account of the Issuer, at such place, time and date as shall be mutually agreed upon by the Issuer and the Placement Agent. The date of such delivery and payment is herein called the "Closing Date", and the hour and date of such delivery and payment is herein called the "Closing Time." The delivery of the Bonds shall be made in definitive form, and issued as fully registered Bonds (in such denominations as the Placement Agent shall have specified in writing at least twenty-four (24) hours prior to the Closing Time).

**SECTION 2. CONDITIONS OF ISSUER'S OBLIGATIONS.**

The Issuer's obligations hereunder are subject to the Placement Agent's performance of its obligations hereunder and to the due completion of all proceedings, and the due satisfaction of all conditions required by the Act for the issuance of the Bonds, including, but not limited to, receipt by the Issuer on the Closing Date of the approving opinion of Goodwin & Goodwin, LLP, Bond Counsel.

**SECTION 3. PAYMENT OF EXPENSES.**

Whether or not the Bonds are placed for purchase by the Placement Agent (unless such placement shall be prevented at the Closing time by the Placement Agent's default), the Placement Agent shall be under no obligation to pay any expense incident to the performance of the obligations of the Issuer hereunder. All expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds (including, without limitation, the fees and any disbursements of bond counsel and the expenses and cost for the preparation, printing, photocopying, execution and delivery of the Bonds, the Ordinance, this Placement Agent's Agreement and all other agreements and documents contemplated hereby) shall be paid by the Issuer (but solely out of the proceeds of the Bonds).

**SECTION 4. APPLICABLE LAWS; ASSIGNMENT.**

This Placement Agent's Agreement shall be governed by the laws of the State of West Virginia and may not be assigned to another party.

**SECTION 5. COUNTERPARTS; AMENDMENTS.**

This Placement Agent's Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. This Placement Agent's Agreement may not be amended except in writing and with the written consent of the Placement Agent and the Issuer.

Very truly yours,

CREWS & ASSOCIATES, INC.

By:   
Vice President

Accepted as of the date first  
above written:

THE CITY OF RAVENSWOOD, WEST VIRGINIA

By: Lelaire Gosterry  
Mayor

EXHIBIT A

(INVESTMENT LETTER - SEE TAB 23)



\$485,000  
CITY OF RAVENSWOOD  
WATER REVENUE REFUNDING BONDS, SERIES 1999

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of March 30, 1999, by and between CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED NATIONAL BANK (the "Bank"), a national association organized under the laws of the United States of America.

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$485,000 aggregate principal amount of Water Revenue Refunding Bonds, Series 1999, in fully registered form (the "Bonds"), pursuant to an Ordinance enacted on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance;

WHEREAS, the Ordinance provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by this Agreement does appoint the Bank to act as Registrar under the Ordinance and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Ordinance, such duties including, among other things, the duties to register the Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Bonds for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Bank shall have no further responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement and the Ordinance, the Issuer hereby agrees to pay to the Bank compensation for services rendered and

reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Issuer and the Bank each warrant and represent that they are duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of their duties hereunder or under the Ordinance will violate any order, decree or agreement to which either is a party or by which either is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838  
Attention: City Clerk

BANK: United National Bank  
Trust Department  
500 Virginia Street, East  
Charleston, WV 25301

IN WITNESS WHEREOF, the CITY OF RAVENSWOOD and UNITED NATIONAL BANK have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

CITY OF RAVENSWOOD

By: Calvin Peabody  
Mayor

UNITED NATIONAL BANK

By: K. Smith  
Vice President



\$485,000  
CITY OF RAVENSWOOD  
WATER REVENUE REFUNDING BONDS, SERIES 1999

PAYING AGENT AGREEMENT

THIS AGREEMENT, dated as of March 30, 1999, by and between CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Commission"), a governmental entity, as Paying Agent under an Ordinance of the Issuer enacted on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$485,000 aggregate principal amount of Water Revenue Refunding Bonds, Series 1999, in fully registered form (the "Bonds"), pursuant to the Ordinance;

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance;

WHEREAS, the Ordinance provides for an appointment by the Issuer of a Paying Agent for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Agreement does appoint the Commission to act as Paying Agent under the Ordinance and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon execution of this Agreement by the Issuer and the Commission and during the term hereof, the Commission does accept and shall have and agrees to perform all of the powers and duties of Paying Agent, as set forth in the Ordinance.
2. The Commission agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Paying Agent and to furnish the Issuer with the name or names of the Commission's authorized officers for the purposes of acting as the Commission and with such other information and reports as the Issuer may from time to time reasonably require.
3. The Commission shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.
4. As compensation for acting as Paying Agent pursuant to this Agreement and the Ordinance, the Issuer hereby agrees to pay to the Commission, from time to time, the compensation for services rendered from earnings on proceeds on deposit with the Commission and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Ordinance with respect to the Paying Agent. In the event of any conflict between the terms of this Agreement and the Ordinance, the terms of this Agreement shall govern.

6. The Issuer and the Commission each warrant and represent that they are duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of their duties hereunder or under the Ordinance will violate any order, decree or agreement to which either is a party or by which either is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of Ravenswood  
212 Walnut Street  
Ravenswood, WV 26164-1838  
Attention: City Clerk

COMMISSION: West Virginia Municipal Bond Commission  
812 Quarrier Street, Suite 300  
Charleston, WV 25301

IN WITNESS WHEREOF, the CITY OF RAVENSWOOD and the WEST VIRGINIA MUNICIPAL BOND COMMISSION, have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

CITY OF RAVENSWOOD

By: Celad Roseberry  
Mayor

WEST VIRGINIA MUNICIPAL BOND  
COMMISSION

By: R. W. [Signature]  
Executive Director



\$485,000  
CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS, SERIES 1999

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

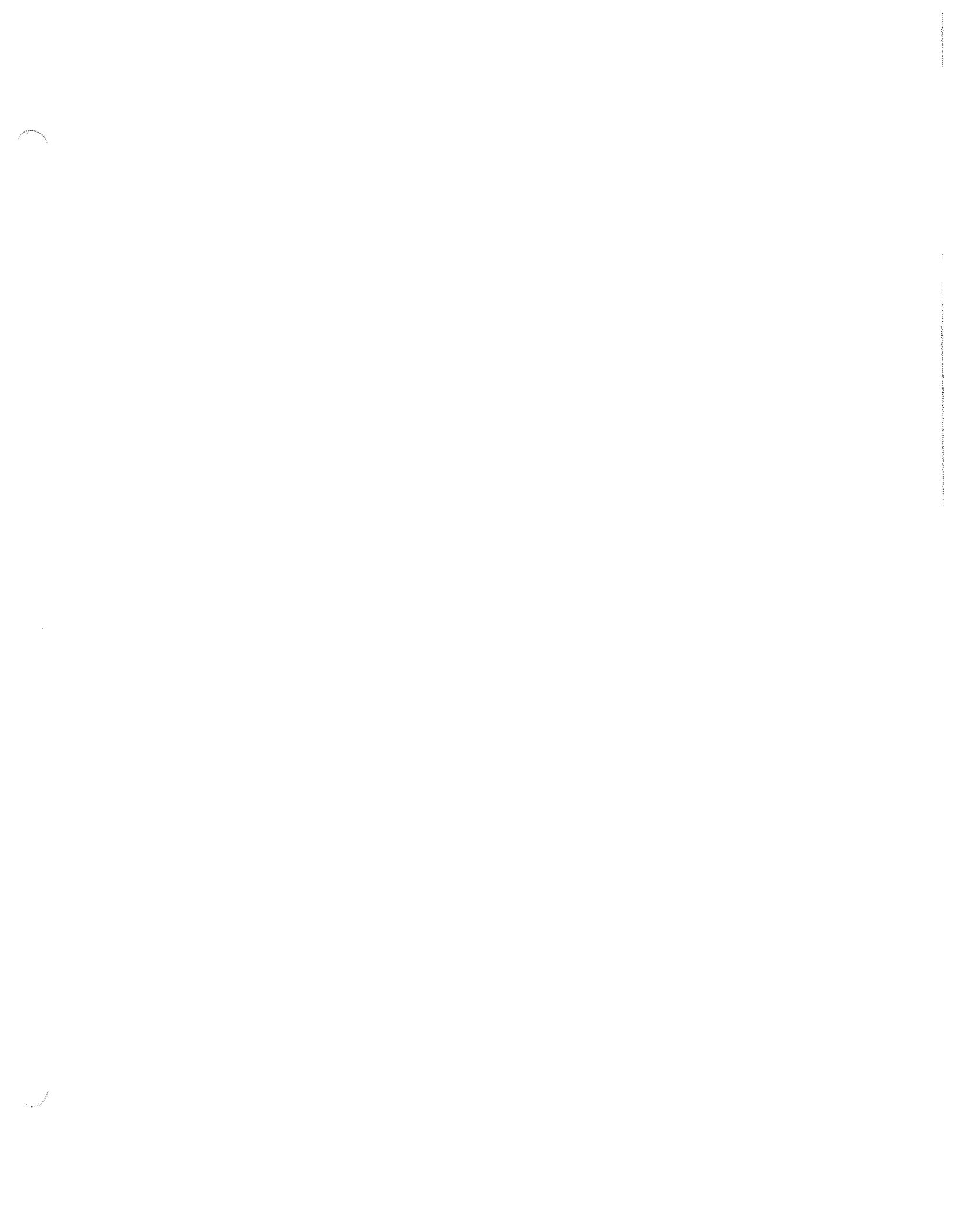
WesBanco Bank Parkersburg, Inc., doing business as WesBanco Bank Ravenswood, a state banking corporation, at its offices in Ravenswood, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance enacted by the City Council of the City of Ravenswood on March 30, 1999, as supplemented by a Supplemental Resolution approved on March 30, 1999 (collectively, the "Ordinance"), authorizing issuance of the Issuer's Water Revenue Refunding Bonds, Series 1999, dated March 30, 1999, in the aggregate principal amount of \$485,000 (the "Bonds"), and agrees to perform all duties of Depository Bank in connection with the Bonds, all as set forth in the Ordinance.

Dated this 30th day of March, 1999.

WESBANCO BANK PARKERSBURG, INC.

By: Thomas M. Krehbiel

Its: President, Jackson County Offices



REGISTRY

\$485,000  
CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS,  
SERIES 1999

<u>BOND NO.</u>	<u>COUPON</u>	<u>AMOUNT</u>	<u>MATURITY</u>	<u>HOLDER</u>	<u>DATE ACQUIRED</u>
R-1	5.00%	\$485,000	7/1/17	United National Bank 514 Market Street Parkersburg, WV 26101	March 30, 1999

ALL ASSIGNMENTS OR CHANGES OF OWNERSHIP OF THIS BOND MUST BE REPORTED ON THIS REGISTRY PURSUANT TO SECTION 3.05 OF THE BOND ORDINANCE.



**\$485,000**  
**CITY OF RAVENSWOOD, WEST VIRGINIA**  
**WATER REVENUE REFUNDING BONDS, SERIES 1999**

**CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS**

The undersigned Steven E. Wilson, Executive Vice President of United National Bank, (the "Purchaser"), for and on behalf of the Purchaser, and Clair Roseberry, Mayor of the City of Ravenswood (the "Issuer"), hereby certify as follows:

1. On the 30th day of March, 1999, in Ravenswood, West Virginia, the Purchaser received the entire original issue of \$485,000 in aggregate principal amount of the City of Ravenswood, Water Revenue Refunding Bonds, Series 1999 (the "Bonds"). The Bonds, as so received on original issuance, are dated March 30, 1999, are in the form of a single, typewritten bond numbered R-1, and registered in the name of "United National Bank".

2. At the time of such receipt of the Bonds upon original issuance, they had been executed by Clair Roseberry, as Mayor, and by Katherine Garrett, as Recorder, by their respective manual signatures, and the official seal of the Issuer had been impressed upon such Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser, as the original purchaser of the Bonds, of the proceeds of the Bonds, as follows:

Par Amount	\$485,000.00
Plus: Accrued Interest	<u>0</u>
<b>TOTAL</b>	<b><u>\$485,000.00</u></b>

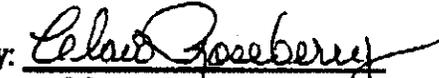
Payment for the Bonds was made in Federal Funds in the amount of \$485,000.00.

WITNESS our respective signatures this 30th day of March, 1999.

**UNITED NATIONAL BANK**

By:   
**Executive Vice President**  
*INVESTMENT OFFICER*

**CITY OF RAVENSWOOD**

By:   
**Mayor**



RECEIVED

MAR 30 1999

MBC

DENNIS R. VAUGHAN, JR.

VAUGHAN LAW FIRM  
*Attorneys and Counsellors at Law*

SUITE 200 CAPITOL CENTRE  
232 CAPITOL STREET  
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900  
TELECOPY (304) 344-2386

March 30, 1999

Mr. R. Witter Hallan, Executive Director  
West Virginia Municipal Bond Commission  
812 Quarrier Street, Suite 300  
Charleston, WV 25301

RE: \$485,000 City of Ravenswood (West Virginia)  
Water Revenue Refunding Bonds, Series 1999

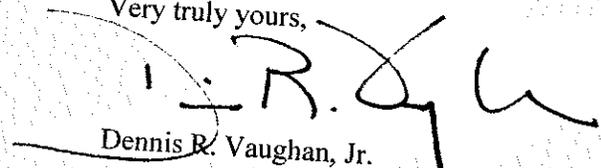
Dear Mr. Hallan:

As Bond Counsel for the City of Ravenswood (the "Issuer"), I wish to advise you that on March 30, 1999 (the "Settlement Date"), the Issuer will deliver the above-captioned revenue refunding bonds (the "Series 1999 Bonds") to the purchaser thereof. Proceeds of the Series 1999 Bonds will be used to refund the Issuer's Waterworks Revenue Bonds, Series 1977, dated July 1, 1977 (the "Prior Bonds"). On the Settlement Date, the Issuer will be required to fund an Escrow Fund (the "Escrow Fund"), pursuant to an Escrow Agreement dated March 30, 1999, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Bond Commission"), as Escrow Agent.

The Escrow Fund will be funded with \$433,884.61 from proceeds of the Series 1999 Bonds, and \$154,475.77 to be transferred by the Bond Commission from the Prior Bonds Debt Service and Debt Service Reserve Funds. The transfer from the Prior Bonds Debt Service and Debt Service Reserve Funds should be made on March 30, 1999. You are hereby authorized to apply \$588,360.38 from the Escrow Fund to refund the Prior Bonds. Any excess amounts should be wire transferred to the Issuer's Depository Bank, WesBanco Bank Ravenswood in Ravenswood, West Virginia. Wire transfer instructions have been provided under separate cover.

If you have any questions regarding the foregoing, please feel free to call me.

Very truly yours,

  
Dennis R. Vaughan, Jr.

DRVJr:ec

Enclosure

VAUGHAN LAW FIRM  
*Attorneys and Counsellors at Law*

SUITE 200 CAPITOL CENTRE  
232 CAPITOL STREET  
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900  
TELECOPY (304) 344-2386

DENNIS R. VAUGHAN, JR.

March 30, 1999

Mr. R. Witter Hallan, Executive Director  
West Virginia Municipal Bond Commission  
812 Quarrier Street, Suite 300  
Charleston, WV 25301

RE: \$485,000 City of Ravenswood (West Virginia)  
Water Revenue Refunding Bonds, Series 1999

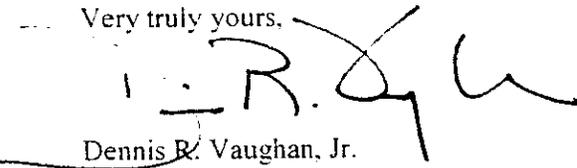
Dear Mr. Hallan:

As Bond Counsel for the City of Ravenswood (the "Issuer"), I wish to advise you that on March 30, 1999 (the "Settlement Date"), the Issuer will deliver the above-captioned revenue refunding bonds (the "Series 1999 Bonds") to the purchaser thereof. Proceeds of the Series 1999 Bonds will be used to refund the Issuer's Waterworks Revenue Bonds, Series 1977, dated July 1, 1977 (the "Prior Bonds"). On the Settlement Date, the Issuer will be required to fund an Escrow Fund (the "Escrow Fund"), pursuant to an Escrow Agreement dated March 30, 1999, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Bond Commission"), as Escrow Agent.

The Escrow Fund will be funded with \$433,884.61 from proceeds of the Series 1999 Bonds, and \$154,475.77 to be transferred by the Bond Commission from the Prior Bonds Debt Service and Debt Service Reserve Funds. The transfer from the Prior Bonds Debt Service and Debt Service Reserve Funds should be made on March 30, 1999. You are hereby authorized to apply \$588,360.38 from the Escrow Fund to refund the Prior Bonds. Any excess amounts should be wire transferred to the Issuer's Depository Bank, WesBanco Bank Ravenswood in Ravenswood, West Virginia. Wire transfer instructions have been provided under separate cover.

If you have any questions regarding the foregoing, please feel free to call me.

Very truly yours,

  
Dennis R. Vaughan, Jr.

DRVJr:ec

Enclosure



March 30, 1999

Mr. Drew Payne, Vice President  
Crews & Associates, Inc.  
930 One Valley Square  
Charleston, WV 25301

Re: \$485,000 CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS, SERIES 1999

Dear Mr. Payne:

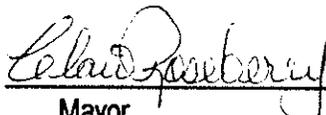
This letter constitutes our Letter of Instructions to you as Placement Agent for the above-captioned bond issue. Please attend to payment of the Costs of Issuance as follows:

<u>Service</u>	<u>Amount</u>	<u>Payee</u>
Bond and Issuer's Counsel	\$15,000.00	The Vaughan Law Firm 232 Capitol Street Charleston, WV 25301
Placement Agent's Counsel	\$15,000.00	Goodwin & Goodwin, LLP P.O. Box 2107 Charleston, WV 25328
Placement Agent's Expenses including CPA, PSA Fee, CUSIP Fee, MSRB Fee, Computer Modeling and Analysis, Clearance, DTC, Travel, Printing, Communications, Day Loan, Mailing	\$ 6,000.00	Crews & Associates, Inc. P.O. Box 1696 Little Rock, AR 72203
Total Expenses:	<u>\$ 36,000.00</u>	

The execution hereof shall relieve the City of Ravenswood of payment of the Costs of Issuance.

Very truly yours,

City of Ravenswood

By:   
Mayor



LAW OFFICES  
**GOODWIN & GOODWIN, LLP**  
P. O. BOX 2107  
1500 ONE VALLEY SQUARE  
CHARLESTON, WEST VIRGINIA 25328-2107  
304/346-7000  
TELECOPIER 304/344-9692

201 THIRD STREET  
PARKERSBURG, WEST VIRGINIA 26101  
304/485-2345

P. O. BOX 349  
500 CHURCH STREET  
RIPLEY, WEST VIRGINIA 25271  
304/372-2651

REPLY TO: **Charleston**

March 31, 1999

Via Certified Mail-Return Receipt  
Requested No. Z424026838  
Director  
Internal Revenue Service Center  
Philadelphia, PA 19255

Re: \$485,000 City of Ravenswood, West Virginia,  
Water Revenue Refunding Bonds, Series 1999

Gentlemen:

Enclosed is a completed and executed Form 8038-G to be filed on behalf of the City of Ravenswood, West Virginia which provides the information required by Section 149(e) of the Internal Revenue Code of 1986, as amended. We have also enclosed a file copy to be returned to our office (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Sincerely yours,

*W. K. Bragg, Jr.*  
William K. Bragg, Jr.

WKB/bas  
Enclosures

**Information Return for Tax-Exempt Governmental Obligations**

Under Internal Revenue Code section 140(e)

See separate instructions.

(Note: Use Form 8038-GC if the issue price is under \$100,000.)

OMB No. 1545-0720

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Ravenswood	2 Issuer's employer identification number 55 6000239	3 Number and street (or P.O. box if mail is not delivered to street address) 212 Walnut Street	4 Report number G19 99-1
5 City, town, or post office, state, and ZIP code Ravenswood, WV 26164-1838	6 Date of issue 3/30/99	7 Name of issue Water Revenue Refunding Bonds, Series 1999	8 CUSIP number N/A

<b>Part II Type of issue (check applicable box(es) and enter the issue price)</b>		9 \$
9 <input type="checkbox"/> Education (attach schedule—see instructions)		9
10 <input type="checkbox"/> Health and hospital (attach schedule—see instructions)		10
11 <input type="checkbox"/> Transportation		11
12 <input type="checkbox"/> Public safety		12
13 <input checked="" type="checkbox"/> Environment (including sewage bonds)	485,000	13
14 <input type="checkbox"/> Housing		14
15 <input type="checkbox"/> Utilities		15
16 <input type="checkbox"/> Other. Describe (see instructions) ▶		16
17 If obligations are tax or other revenue anticipation bonds, check box ▶ <input type="checkbox"/>		
18 If obligations are in the form of a lease or installment sale, check box ▶ <input type="checkbox"/>		

<b>Part III Description of Obligations</b>							
	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity.	7/1/2017	5.00 %	40,000	Par			
20 Entire issue			485,000	Par	10.993 years	4.995 %	5.227 %

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>			21
21 Proceeds used for accrued interest			21
22 Issue price of entire issue (enter amount from line 20, column (c))		485,000	22
23 Proceeds used for bond issuance costs (including underwriters' discount)	51,175		23
24 Proceeds used for credit enhancement			24
25 Proceeds allocated to reasonably required reserve or replacement fund			25
26 Proceeds used to currently refund prior issues	433,825		26
27 Proceeds used to advance refund prior issues			27
28 Total (add lines 23 through 27)		485,000	28
29 Nonrefunding proceeds of the issue (subtract line 28 from line 22 and enter amount here)		0	29

<b>Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)</b>	
30 Enter the remaining weighted average maturity of the bonds to be currently refunded	11.485 year
31 Enter the remaining weighted average maturity of the bonds to be advance refunded	year
32 Enter the last date on which the refunded bonds will be called	7/1/99
33 Enter the date(s) the refunded bonds were issued	7/1/77

<b>Part VI Miscellaneous</b>	
34 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	34
35 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii) (small issuer exception)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer	
38 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
39 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

*Clair Roseberry*  
 Signature of issuer's authorized representative

3/30/99  
 Date

Clair Roseberry, Mayor  
 Type or print name and title

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

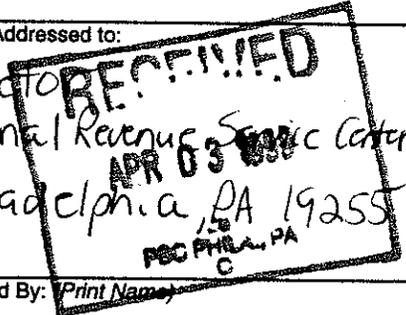
I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Director  
Internal Revenue Service Center  
Philadelphia, PA 19255



4a. Article Number  
2424026838

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X

Thank you for using Return Receipt Service.



WV MUNICIPAL BOND COMMISSION

812 Quarrier Street,  
Suite 300  
Charleston, WV 25301  
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: March 30, 1999  
(See Reverse for Instructions)

ISSUE: \$485,000 City of Ravenswood, West Virginia  
Water Revenue Refunding Bonds, Series 1999

ADDRESS: 212 Walnut Street  
Ravenswood, WV 26164-1838 COUNTY: Jackson

PURPOSE: New Money \_\_\_  
OF ISSUE: Refunding X Refunds issue dated: July 1, 1977

ISSUE DATE: March 30, 1999 CLOSING DATE: March 30, 1999

ISSUE AMOUNT: \$485,000 RATE: 5.00 %

1ST DEBT SERVICE DUE: January 1, 2000 1ST PRINCIPAL DUE: July 1, 2000

1ST DEBT SERVICE AMOUNT: \$20,208.33 PAYING AGENT: WV Municipal Bond  
Commission

BOND COUNSEL: Vaughan Law Firm REGISTRAR: City of Ravenswood  
Contact Person: Dennis R. Vaughan, Jr. Contact Person: Katherine Garrett  
Phone: (304) 342-3900 Phone: (304) 273-2621

LENDER: United National Bank KNOWLEDGEABLE ISSUER CONTACT:  
Contact Person: Brian E. Gainer Contact Person: Katherine Garrett  
Phone: (304) 424-8773 Position: Recorder  
Phone: (304) 273-2621

DEPOSITS TO MBC AT CLOSE:

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

TRANSFERS BY MBC AT CLOSE:

By \_\_\_ Wire X To Escrow Trustee: \$154,475.77  
\_\_\_ Check \_\_\_ To Issuer: \$ \_\_\_\_\_  
X IGT \_\_\_ To Cons. Invest. Fund: \$ \_\_\_\_\_  
\_\_\_ Other: \_\_\_\_\_ \$ \_\_\_\_\_

Notes: \_\_\_\_\_

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS

REQUIRED: \_\_\_\_\_

TRANSFERS

REQUIRED: \_\_\_\_\_



\$485,000  
CITY OF RAVENSWOOD, WEST VIRGINIA  
WATER REVENUE REFUNDING BONDS, SERIES 1999

Bond No.: Dated Date: Maturity Date: Interest Rate: CUSIP No:  
R-1 March 30, 1999 July 1, 2017 5% 754437 BS 9

Registered Owner: United National Bank

FOR VALUE RECEIVED, the CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County of said State (herein called "Issuer"), hereby promises to pay to the order of the Registered Owner identified above, or its registered assigns, at the offices of the Municipal Bond Commission, the principal sum of Four Hundred Eighty-five Thousand and 00/100 Dollars (\$485,000.00), plus interest on the unpaid principal balance at the rate of five and 00/100 percent (5.00%) per annum. Interest shall be paid in semi-annual installments on January 1 and July 1 of each year beginning January 1, 2000. Principal shall be paid on July 1, 2017, except that prepayments may be made as provided hereinbelow. Sinking fund payments shall be made on the dates and in the amounts set forth herein. The consideration hereof shall support any agreement modifying the foregoing schedule of payments.

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 the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Issuer in its capacity as Registrar.

Prepayments of scheduled installments or any portion thereof, may be made at any time at the option of Issuer. Extra payments shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

Sinking fund payments shall be made on the dates and in the amounts set forth below:

<u>Date</u>	<u>Amount</u>
7/1/00	\$20,000
7/1/01	\$20,000
7/1/02	\$20,000
7/1/03	\$20,000
7/1/04	\$20,000
7/1/05	\$20,000
7/1/06	\$25,000

7/1/07	\$25,000
7/1/08	\$25,000
7/1/09	\$25,000
7/1/10	\$30,000
7/1/11	\$30,000
7/1/12	\$30,000
7/1/13	\$30,000
7/1/14	\$35,000
7/1/15	\$35,000
7/1/16	\$35,000
7/1/17	\$40,000

Any amount advanced or expended by the Registered Owner 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 Registered Owner, 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 Issuer to the Registered Owner without demand.

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 the water system (the "System") of the Issuer, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Registered Owner in person or by its attorney duly authorized in writing, at the office of the Issuer, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code, as amended (herein collectively called the "Act").

The initial address of the Registered Owner for purposes of bond registration is 514 Market Street, Parkersburg, WV 26101.

IN WITNESS WHEREOF, the CITY OF RAVENSWOOD 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.

(SEAL)

CITY OF RAVENSWOOD

By: *Calvin Foxberry*  
Mayor  
212 Walnut Street  
Ravenswood, WV 26164-1838

SPECIMEN

ATTEST:

By: *Katherine Garrett*  
Recorder

(Form of Assignment)

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:

\_\_\_\_\_



MUNICIPAL CORPORATIONS

ARTICLE 19.

MUNICIPAL AND COUNTY WATERWORKS AND ELECTRIC POWER SYSTEMS.

**Part I. Municipal and County Waterworks and Electric Power Systems Authorized; Definition.**

Sec.  
8-19-1. Acquisition and operation of municipal and county waterworks and electric power systems; construction of improvements to municipal and county electric power systems; extension beyond corporate limits; definitions.

**Part II. Limitations on Sale or Lease of Certain Municipal Waterworks.**

8-19-2. [Repealed.]

**Part III. Right of Eminent Domain.**

8-19-3. Right of eminent domain; limitations.

**Part IV. Revenue Bond Financing.**

8-19-4. Estimate of cost; ordinance or order for issuance of revenue bonds; interest on bonds; rates for services; exemption from taxation.  
8-19-5. Publication of abstract of ordinance or order and notice; hearing.  
8-19-6. Amount, negotiability and execution of bonds.  
8-19-7. Bonds payable solely from revenues; not to constitute municipal or county indebtedness.  
8-19-8. Lien of bondholders; deeds of trust; security agreements; priority of liens.  
8-19-9. Covenants with bondholders.  
8-19-10. Operating contract.  
8-19-11. Rates or charges for water and electric power must be sufficient to pay bonds, etc.; disposition of surplus.

Sec.  
8-19-12. Service charges; sinking fund; amount of bonds; additional bonds; surplus.

8-19-12a. Lien for delinquent service rates and charges; notice of delinquency; failure to cure delinquency; civil actions; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure.

8-19-13. Discontinuance of water or electric power service for nonpayment of rates or charges.

8-19-14. Bonds for additions, betterments and improvements.

8-19-15. System of accounts; audit.

8-19-16. Protection and enforcement of rights of bondholders, etc.; receivership.

**Part V. Grants, Loans, Advances and Agreements; Cumulative Authority.**

8-19-17. Grants, loans, advances and agreements.

8-19-18. Additional and alternative method for constructing or improving and for financing waterworks or electric power system; cumulative authority.

**Part VI. Operation by Board; Construction.**

8-19-19. Alternative procedure for acquisition, construction or improvement of waterworks or electric power system.

8-19-20. Article to be liberally construed.

8-19-21. Specifications for water mains and water service pipes.

**Revision of chapter.** — See note under the same catchline at the beginning of this chapter.

**Revision of article.** — Acts 1990, c. 141, amended and reenacted this article, substituting present §§ 8-19-1 to 8-19-20 for former §§ 8-19-1 to 8-19-12a, and 8-19-13 to 8-19-20 (enacted by Acts 1933, c. 26, §§ 1, 3-14 and amended by Acts 1933, 2nd Ex. Sess., c. 49; 1937, c. 52; 1939, c. 97, c. 98, § 10; 1949, c. 90; 1955, c. 133; 1961, cc. 104, 105; 1967, c. 105; 1969, c. 86; 1970, c. 7; 1971, c. 103; 1978, c. 72;

1980, c. 33; 1981, 1st Ex. Sess., c. 2; 1983, c. 151; 1984, c. 128; 1986, c. 118; 1986, 1st Ex. Sess., c. 18; 1989, c. 133). No detailed explanation of the changes made by the 1990 act was practicable, but, where appropriate, the historical citations to the former sections have been added to corresponding sections in the amended article.

**Michie's Jurisprudence.** — For general discussion of municipal waterworks, see 20 M.J., Water Companies and Waterworks.

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**Discretion.** — Action under this article is discretionary with the municipality, and a discretionary act may not ordinarily be controlled by mandamus. *Hinkle v. Town of Franklin*, 118 W. Va. 585, 191 S.E. 291 (1937) (decided under prior law).

**Legislative intent.** — The purpose of this article is to allow a municipality to create a waterworks or electric power system. It is clear that the legislature desired that the municipality be allowed to borrow for the system so long as the municipality itself was not obligated for the debt. Allowing the municipality to make grants from time to time to its utility systems does not circumvent legislative intention provided that the municipality does not borrow the money to make the grant. *Op. Att'y Gen.*, April

3, 1979 (decided under prior law).

It appears clear the legislature recognized the need for municipal utility systems; however, it did not wish the municipality to become generally obligated for the building or acquisition of the system. Financing is provided for primarily by revenue bonds, and bondholders are assured of a safe investment through the collection of sufficient user charges to service the bonds and maintain the assets of the system. *Op. Att'y Gen.*, April 3, 1979 (decided under prior law).

**Mandamus.** — Mandamus does not lie to compel town to provide sufficient funds to pay for waterworks system. *Hinkle v. Town of Franklin*, 118 W. Va. 585, 191 S.E. 291 (1937) (decided under prior law).

PART I. MUNICIPAL AND COUNTY WATERWORKS AND ELECTRIC POWER  
SYSTEMS AUTHORIZED; DEFINITION.

**§ 8-19-1. Acquisition and operation of municipal and county waterworks and electric power systems; construction of improvements to municipal and county electric power systems; extension beyond corporate limits; definitions.**

(a) Subject to and in accordance with the provisions of this article, any municipality or county commission may acquire, construct, establish, extend, equip, repair, maintain and operate or lease to others for operation, a waterworks system or an electric power system or construct, maintain and operate additions, betterments and improvements to an existing waterworks system or an existing electric power system, notwithstanding any provision or limitation to the contrary in any other law or charter: Provided, That such municipality or county commission shall not serve or supply water facilities or electric power facilities or services within the corporate limits of any other municipality or county commission without the consent of the governing body of such other municipality or county commission.

(b) Any municipality or county commission which intends to file an application with the federal energy regulatory commission for a license to acquire, construct, establish, extend, maintain and operate, or lease to others for operation, an electric power system, shall give written notice by certified mail, return receipt requested, and shall give public notice by Class I legal advertisement in compliance with the provisions of article three (§ 59-3-1 et seq.), chapter fifty-nine of this code and the publication area shall be the municipality or county in which the system is to be located to the governing body of the municipality or the county commission in which such system is or shall be located or, if such system is or shall be located outside of a municipality or county, to the county commission of the county in which such system is or

shall be located, at least sixty days prior to the filing of such application: Provided, That the provisions of this subsection shall not apply to any municipality or county commission which, on the date of the passage of this act [Acts 1990, c. 141; March 10, 1990], has obtained a license from the federal energy regulatory commission to acquire, construct, establish, extend, maintain and operate, or lease to others for operation, an electric power system. If the municipality or county commission receiving such notice does not respond to the notice within sixty days of receipt of such notice, then such other municipality or the county commission shall be deemed to have consented to the application for the proposed electric power system. If such other municipality or the county commission notifies the municipality or county commission that it objects to the proposed electric power system, such other municipality or the county commission shall hold a public hearing on the proposed system within sixty days of receipt of such notice from the municipality or county commission.

(c) As used in this article:

(1) "Waterworks system" means a waterworks system in its entirety or any integral part thereof, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants, softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system.

(2) "Electric power system" means a system or facility which produces electric power in its entirety or provides for the distribution of electric power for local consumption and use or for distribution and resale or any combination thereof, or any integral part thereof, including, but not limited to, power lines and wires, power poles, guy wires, insulators, transformers, generators, cables, power line towers, voltage regulators, meters, power substations, machinery and all other facilities necessary, appropriate, useful or convenient or incidental in connection with or to an electric power supply system. (1933, Ex. Sess., c. 26, § 1; 1937, c. 52; 1939, c. 97; 1949, c. 90; 1955, c. 133; 1969, c. 86; 1978, c. 72; 1983, c. 151; 1986, c. 118; 1986, 1st Ex. Sess., c. 18; 1990, c. 141.)

**Cross references.** — Acquisition and operation of combined waterworks and sewerage systems, § 8-20-1 et seq.

**ALR references.** — Right to compel municipality to extend its water system, 48 ALR2d 1222.

PART II. LIMITATIONS ON SALE OR LEASE OF CERTAIN MUNICIPAL WATERWORKS.

§ 8-19-2.

Repealed by Acts 1974, c. 78.

**Editor's notes.** — Former § 18-19-2, concerning limitations on sale or lease of certain

municipal waterworks, was repealed by Acts 1974, c. 78.

§ 8-19-3. Ri

For the purp waterworks sys any additions, power system, p, riate, useful, power system, commission sh: fifty-four [§ 54-domain for the power system, approval of the pality or county rate limits of s: works or electri service in comp owned waterwo: within the prop convenience and commission: Pr: may not exercis power system o: establishing or c

Subject to the of section ninete municipality or equip, repair, m generators or e more than one n line and said ele the public servic 86; 1978, c. 72;

**Construction.** — eminent domain m City of Mullens v. U: 179, 7 S.E.2d 870 ( law).

**"Approval."** — approval of the publ appearing in this sect different from the v and approval of the of West Virginia is fi § 24-2-12. Lockard v 237, 32 S.E.2d 568 ( law).

## PART III. RIGHT OF EMINENT DOMAIN.

## § 8-19-3. Right of eminent domain; limitations.

For the purpose of acquiring, constructing, establishing or extending any waterworks system or electric power system, or for the purpose of constructing any additions, betterments or improvements to any waterworks or electric power system, or for the purpose of acquiring any property necessary, appropriate, useful, convenient or incidental for or to any waterworks or electric power system, under the provisions of this article, the municipality or county commission shall have the right of eminent domain as provided in chapter fifty-four [§ 54-1-1 et seq.] of this code: Provided, That such right of eminent domain for the acquisition of a privately owned waterworks system, or electric power system, or any part thereof, shall not be exercised without prior approval of the public service commission, and in no event shall any municipality or county commission construct, establish or extend beyond the corporate limits of said municipality or county line a municipal or county waterworks or electric power system under the provisions of this article to supply service in competition with an existing privately or municipally or county owned waterworks or electric power system in such municipality or county or within the proposed extension of such system, unless a certificate of public convenience and necessity therefor shall have been issued by the public service commission: Provided, however, That a municipality or county commission may not exercise such right of eminent domain over a privately owned electric power system or any part thereof for the purpose of acquiring, constructing, establishing or extending an electric power system.

Subject to the provisions of this article and notwithstanding the provisions of section nineteen [§ 8-12-19], article twelve of this chapter to the contrary, a municipality or county commission may acquire, construct, establish, extend, equip, repair, maintain and operate, or lease to others for operation, electric generators or electric generating systems or electric transmission systems more than one mile beyond the corporate limits of such municipality or county line and said electric generation systems shall not be under the jurisdiction of the public service commission. (1933, Ex. Sess., c. 26, § 9; 1937, c. 52; 1969, c. 86; 1978, c. 72; 1983, c. 151; 1990, c. 141.)

**Construction.** — Statutes pertaining to eminent domain must be strictly construed. *City of Mullens v. Union Power Co.*, 122 W. Va. 179, 7 S.E.2d 870 (1940) (decided under prior law).

**Approval.** — The words "without prior approval of the public service commission" appearing in this section, are not substantially different from the words "unless the consent and approval of the public service commission of West Virginia is first obtained," appearing in § 24-2-12. *Lockard v. City of Salem*, 127 W. Va. 237, 32 S.E.2d 568 (1944) (decided under prior law).

**Eminent domain.** — Nowhere in the statutes is a municipality or other corporate body politic authorized by statute, expressly or by necessary implication, to exercise the power of eminent domain for the acquisition of the property and assets of an operating utility as such, except the acquisition of privately owned waterworks systems, provided for by this section. *City of Mullens v. Union Power Co.*, 122 W. Va. 179, 7 S.E.2d 870 (1940) (decided under prior law).

**§ 8-19-4. Estimate of cost; ordinance or order for issuance of revenue bonds; interest on bonds; rates for services; exemption from taxation.**

Whenever a municipality or county commission shall, under the provisions of this article, determine to acquire, by purchase or otherwise, construct, establish, extend or equip a waterworks system or an electric power system, or to construct any additions, betterments or improvements to any waterworks or electric power system, it shall cause an estimate to be made of the cost thereof, and may, by ordinance or order, provide for the issuance of revenue bonds under the provisions of this article, which ordinance or order shall set forth a brief description of the contemplated undertaking, the estimated cost thereof, the amount, rate or rates of interest, the time and place of payment, and other details in connection with the issuance of the bonds. Such bonds shall be in such form and shall be negotiated and sold in such manner and upon such terms as the governing body of such municipality or county commission may by ordinance or order specify. All such bonds and the interest thereon shall be exempt from all taxation by this state, or any county, municipality or county commission, political subdivision or agency thereof. Notwithstanding any other provision of this code to the contrary, the real and personal property which a municipality or county has acquired and constructed according to the provisions of this article, and any leasehold interest therein held by other persons, shall be deemed public property and shall be exempt from taxation by the state, or any county, municipality or other levying body, so long as the same is owned by such municipality or county: Provided, That with respect to electric power systems, this exemption for real and personal property shall be applicable only for such real and personal property (1) physically situate within the municipal or county boundaries of the municipality or county which acquired or constructed such electric power system and there was in place prior to the effective date of the amendments to this section made in the year one thousand nine hundred ninety-two an agreement between the municipality and the county commission for payments in lieu of tax, or (2) acquired or constructed with the written agreement of the county school board, county commission and any municipal authority within whose jurisdiction the electric power system is or is to be physically situate. Notwithstanding anything contained in this statute to the contrary, this exemption shall be applicable to any leasehold or similar interest held by persons other than a municipality or county only if acquired or constructed with the written agreement of the county school board, county commission and any municipal authority within whose jurisdiction the electric power system is or is to be physically situate: Provided, however, That payments made to any county commission, county school board or municipality in lieu of tax pursuant to such an agreement shall be distributed as if the payments resulted from ad valorem property taxation. Such bonds shall bear interest at a rate per annum set by the municipality or county commission, payable at such times, and shall be payable as to principal

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**§ 8-19-5**

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at such times, not exceeding fifty years from their date, and at such place or places, within or without the state, as shall be prescribed in the ordinance or order providing for their issuance. Unless the governing body of the municipality or county commission shall otherwise determine, such ordinance or order shall also declare that a statutory mortgage lien shall exist upon the property so to be acquired, constructed, established, extended or equipped, fix minimum rates or charges for water or electricity to be collected prior to the payment of all of said bonds and shall pledge the revenues derived from the waterworks or electric power system for the purpose of paying such bonds and interest thereon, which pledge shall definitely fix and determine the amount of revenues which shall be necessary to be set apart and applied to the payment of the principal of and interest upon the bonds and the proportion of the balance of such revenues, which are to be set aside as a proper and adequate depreciation account, and the remainder shall be set aside for the reasonable and proper maintenance and operation thereof. The rates or charges to be charged for the services from such waterworks or electric power system shall be sufficient at all times to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof as and when the same become due, and reasonable reserves therefor, and to provide for the repair, maintenance and operation of the waterworks or electric power system, and to provide an adequate depreciation fund, and to make any other payments which shall be required or provided for in the ordinance or order authorizing the issuance of said bonds. (1933, Ex. Sess., c. 26, § 3; 1933, 2nd Ex. Sess., c. 49; 1955, c. 133; 1969, c. 86; 1970, c. 7; 1978, c. 72; 1980, c. 33; 1981, 1st Ex. Sess., c. 2; 1984, c. 128; 1986, 1st Ex. Sess., c. 18; 1990, c. 141; 1992, c. 147.)

**Editor's notes.** — This section refers to "the effective date of the amendments to this section made in the year one thousand nine hundred

ninety-two." Acts 1992, c. 147 provided that the amendments to this section, made in 1992, take effect July 1, 1992.

### § 8-19-5. Publication of abstract of ordinance or order and notice; hearing.

After the ordinance or order for any project under this article has been adopted, an abstract of the ordinance or order, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance or order, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be the municipality or county. The notice to be published with said abstract of the ordinance or order shall state that said ordinance or order has been adopted, that the municipality or county commission contemplates the issuance of the bonds described in the ordinance or order, that any person interested may appear before the governing body, upon a certain date, which shall be not less than ten days subsequent to the date of the first publication of such abstract and notice and which shall not be prior to the date of the last publication by such abstract and notice, and present protests, and that a certified copy of the ordinance or order is on file

with the governing body for review by interested parties during the office hours of the governing body. At such hearing all protests and suggestions shall be heard and the governing body shall take such action as it considers proper in the premises: Provided, That if at such hearing written protest is filed by thirty percent or more of the freeholders of the municipality or county, then the governing body of said municipality or county shall not take further action unless four fifths of the qualified members of said governing body assent thereto. (1933, Ex. Sess., c. 26, § 4; 1967, c. 105; 1969, c. 86; 1971, c. 103; 1981, 1st Ex. Sess., c. 2; 1990, c. 141.)

**§ 8-19-6. Amount, negotiability and execution of bonds.**

Bonds herein provided for shall be issued in such amounts as may be necessary to provide sufficient funds to pay all costs of acquisition, construction, establishment, extension or equipment, including engineering, legal and other expenses, together with interest to a date six months subsequent to the estimated date of completion. Bonds issued under the provisions of this article are hereby declared to be negotiable instruments, and the same shall be executed by the proper legally constituted authorities of the municipality or county commission, and be sealed with the corporate seal of the municipality or certified by the county commission, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. All signatures on the bonds or coupons and the corporate seal may be mechanically reproduced if authorized in the ordinance or order authorizing the issuance of the bonds. (1933, Ex. Sess., c. 26, § 5; 1933, 2nd Ex. Sess., c. 49, § 5; 1969, c. 86; 1970, c. 7; 1980, c. 33; 1981, 1st Ex. Sess., c. 2; 1984, c. 128; 1990, c. 141.)

**§ 8-19-7. Bonds payable solely from revenues; not to constitute municipal or county indebtedness.**

Bonds issued under the provisions of this article shall be payable solely from the revenues derived from such waterworks or electric power system, and such bonds shall not in any event constitute an indebtedness of such municipality or county within the meaning of any constitutional or statutory provision or limitation, and it shall be plainly stated on the face of each bond that the same has been issued under the provisions of this article, and that it does not constitute an indebtedness of such municipality or county within constitutional or statutory provision or limitation. Subject to the provisions of subsection (b), section twelve [§ 8-19-12(b)] of this article, the ordinance or order authorizing the issuance of the bonds may contain such covenants and restrictions upon the issuance of additional revenue bonds thereafter as may be considered necessary or advisable for the assurance of payment of the bonds thereby authorized and as may thereafter be issued. (1933, Ex. Sess., c. 26, § 6; 1933, 2nd Ex. Sess., c. 49; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

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**§ 8-19-8. Lien of bondholders; deeds of trust; security agreements; priority of liens.**

Unless the governing body shall otherwise determine in the ordinance or order authorizing the issuance of bonds under this article, there shall be and there is hereby created and granted a statutory mortgage lien upon the waterworks or electric power system so acquired, constructed, established, equipped, extended or improved from the proceeds of bonds hereby authorized to be issued, which shall exist in favor of the holder of said bonds and each of them, and to and in favor of the holder of the coupons attached to said bonds, and such waterworks or electric power system shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest upon said bonds.

Any municipality or county commission in acquiring an existing waterworks system or in improving an existing waterworks or electric power system may provide that financing therefor may be made by issuing revenue bonds and delivering the same at such prices as may be agreed upon within the limitations prescribed in section six [§ 8-19-6] of this article. Any revenue bonds so issued to provide financing for such existing waterworks or electric power system or for any improvements to an existing waterworks or electric power system may be secured by a mortgage or deed of trust upon and security interest in the property so acquired or improved or any other interest of the municipality or county commission in property related thereto as determined by the municipality or county commission in the ordinance or order authorizing the issuance of such revenue bonds; and in such event the holders thereof shall have, in addition to any other remedies and rights prescribed by this article, such remedies and rights as may now or hereafter exist in law in the case of mortgages or deeds of trust on real property and security interests in personal property. Such mortgage or deed of trust, upon its recordation, shall have priority over all other liens or encumbrances, however created or arising, on the property covered by such mortgage or deed of trust, to the same extent and for the same amount as if the municipality or county were obligated to pay the full amount secured by such mortgage or deed of trust immediately upon the recordation of such mortgage or deed of trust and remained so obligated until the obligations secured are fully discharged. (1933, Ex. Sess., c. 26, § 7; 1933, 2nd Ex. Sess., c. 49; 1969, c. 86; 1978, c. 72; 1986, 1st Ex. Sess., c. 18; 1990, c. 141.)

**§ 8-19-9. Covenants with bondholders.**

Any ordinance or order authorizing the issuance of bonds hereunder, or any trust indenture with any banking institution or trust company within or without the state for the security of said bonds, which any such municipality or county commission is hereby empowered and authorized to enter into and execute, may contain covenants with the holders of such bonds as to:

- (a) The purpose or purposes to which the proceeds of sale of such bonds or the revenues derived from said waterworks or electric power system may be

applied and the securing, use and disposition thereof, including, if deemed desirable, the appointment of a trustee or depository for any of such funds;

(b) The pledging of all or any part of the revenues derived from the ownership, control or operation of such waterworks or electric power system, including any part thereof heretofore or hereafter acquired, constructed, established, extended or equipped or derived from any other sources, to the payment of the principal of or interest thereon of bonds issued hereunder and for such reserve or other funds as may be considered necessary or desirable;

(c) The fixing, establishing and collecting of such rates or charges for the use of the services and facilities of the waterworks or electric power system, including the parts thereof heretofore or hereafter acquired, constructed, established, extended or equipped and the revision of same from time to time, as will always provide revenues at least sufficient to provide for all expenses of repair, maintenance and operation of such waterworks or electric power system, the payment of the principal of and interest upon all bonds or other obligations payable from the revenues of such waterworks or electric power system, and all reserve and other funds required by the terms of the ordinance or order authorizing the issuance of such bonds;

(d) The transfer from the general funds of the municipality or county commission to the account or accounts of the waterworks or electric power system of an amount equal to the cost of furnishing the municipality or county commission or any of its departments, boards or agencies or the county commission with the services and facilities of such waterworks or electric power system;

(e) Subject to the provisions of subsection (b), section twelve [§ 8-19-12(b)] of this article, limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenues of such waterworks or electric power system, and the rank or priority, as to lien and source and security for payment from the revenues of such waterworks or electric power system, between bonds payable from such revenues;

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the performance of any covenant or agreement with bondholders, and the manner and terms upon which such defaults may be declared cured and the acceleration of the maturity of such bonds rescinded and repealed;

(g) Budgets for the annual repair, maintenance and operation of such waterworks or electric power system and restrictions and limitations upon expenditures for such purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of such budgets by consulting engineers designated by holders of bonds issued hereunder;

(h) The amounts of insurance to be maintained upon such waterworks or electric power system, or any part thereof, and the use and disposition of the proceeds of any insurance; and

(i) The keeping of books of account, relating to such undertakings and the audit and inspection thereof, and the furnishing to the holders of bonds issued hereunder or their representatives, reports prepared, certified or approved by accountants designated or approved by the holders of bonds issued hereunder.

Any such additional security or other coverage hereof to authority secure the same extension of corporate liabilities and contracts, inconsistent with c. 72; 1990

§ 8-19-11

Any such agreement and management of power system income and under municipal county commission ordinance or indenture valid and binding of said bonds 1969, c. 86

§ 8-19-12

Rates or of bonds shall and may, with the payment proper for operation of finance and maintain remainder ing and of fiscal year either the and if any

Any such ordinance, order or trust indenture may also contain such other additional covenants as shall be considered necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that such other covenants are not expressly enumerated above, it being the intention hereof to grant to municipalities or county commissions plenary power and authority to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant to municipalities and counties full and complete power and authority to enter into any contracts, covenants or agreements with holders of bonds issued hereunder not inconsistent with the constitution of this state. (1955, c. 133; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

#### § 8-19-10. Operating contract.

Any such municipality or county commission may enter into contracts or agreements with any persons for (1) the repair, maintenance and operation and management of the facilities and properties of said waterworks or electric power system, or any part thereof, or (2) the collection and disbursement of the income and revenues therefor, or for both (1) and (2), for such period of time and under such terms and conditions as shall be agreed upon between such municipality or county commission and such persons. Any such municipality or county commission shall have plenary power and authority to provide in the ordinance or order authorizing the issuance of bonds hereunder, or in any trust indenture securing such bonds, that such contracts or agreements shall be valid and binding upon the municipality and county commission as long as any of said bonds, or interest thereon, is outstanding and unpaid. (1955, c. 133; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

#### § 8-19-11. Rates or charges for water and electric power must be sufficient to pay bonds, etc.; disposition of surplus.

Rates or charges for water or electric power fixed precedent to the issuance of bonds shall not be reduced until all of said bonds shall have been fully paid, and may, whenever necessary, be increased in amounts sufficient to provide for the payment of the principal of and interest upon such bonds, and to provide proper funds for the depreciation account and repair, maintenance and operation charges. If any surplus shall be accumulated in the repair, maintenance and operation fund which shall be in excess of the cost of repairing, maintaining and operating the waterworks or electric power system during the remainder of the fiscal year then current, and the cost of repairing, maintaining and operating the said waterworks or electric power system during the fiscal year then next ensuing, then any such excess may be transferred to either the depreciation account or to the bond and interest redemption account, and if any surplus shall be accumulated in the depreciation account over and

above that which the municipality or county commission shall find may be necessary for the probable replacements which may be needed during the then present fiscal year, and the next ensuing fiscal year, such excess may be transferred to the bond and interest redemption account, and, if any surplus shall exist in the bond and interest redemption account, the same shall be applied insofar as possible in the purchase or retirement of outstanding revenue bonds payable from such account. (1933, Ex. Sess., c. 26, § 8; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

**§ 8-19-12. Service charges; sinking fund; amount of bonds; additional bonds; surplus.**

(a) Every municipality or county commission issuing bonds under the provisions of this article shall thereafter, so long as any of such bonds remain outstanding, repair, maintain and operate its waterworks or electric power system as hereinafter provided and shall charge, collect and account for revenues therefrom as will be sufficient to pay all repair, maintenance and operation costs, provide a depreciation fund, retire the bonds and pay the interest requirements of the bonds as the same become due. The ordinance or order pursuant to which any such bonds are issued shall pledge the revenues derived from the waterworks or electric power system to the purposes aforesaid and shall definitely fix and determine the amount of revenues which shall be necessary and set apart in a special fund for the bond requirements. The amounts as and when so set apart into said special fund for the bond requirements shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and the ordinance or order pursuant to which such bonds have been issued: Provided, That payment of principal of and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the municipality or county commission directly to the United States of America or said agency or department thereof. The bonds hereby authorized shall be issued in such amounts as may be determined necessary to provide funds for the purpose for which they are authorized, and in determining the amount of bonds to be issued it shall be proper to include interest on the bonds for a period not beyond six months from the estimated date of completion.

(b) If the proceeds of the bonds, because of error or otherwise, shall be less than the cost of the property or undertaking for which authorized, additional bonds may be issued to provide the amount of such deficit and such additional bonds shall be considered to be of the same issue and shall be entitled to payment from the same fund without preference or priority over the bonds first authorized and issued.

(c) If the proceeds of the bonds shall exceed the cost of the property or undertaking, the surplus shall be converted into the fund thereon. (1933, Ex. Sess., c. 26, § 11; 1969, c. 86; 1978, c. 72; 1986, c. 118; 1990, c. 141.)

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**§ 8-19-12a. Lien for delinquent service rates and charges; notice of delinquency; failure to cure delinquency; civil actions; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure.**

(a) Whenever any rates and charges for water services or facilities furnished remain unpaid for a period of thirty days after the same become due and payable, the property and the owner thereof, as well as the user of the services and facilities provided, shall be delinquent and the owner, user and property shall be held liable at law until such time as all such rates and charges are fully paid: Provided, That in the event the user is a tenant, the property owner shall be given notice of any said delinquency by certified mail, return receipt requested, and the user shall be given such notice by first-class mail: Provided, however, That failure of the user to cure the delinquency within a thirty-day period after receipt of such notice shall constitute grounds to terminate the user's lease of the premises concerned.

(b) All rates or charges for water service whenever delinquent, as provided by ordinance of the municipality or order of the county commission, shall be liens of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes for the amount thereof upon the real property served, and the municipality or county commission shall have plenary power and authority from time to time to enforce such lien in a civil action to recover the money due for such services rendered plus court fees and costs and a reasonable attorney's fee: Provided, That a municipality or county commission shall have exhausted all remedies available against such delinquent users before it may proceed in a civil action against the owner.

(c) Municipalities and county commissions are hereby granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrate court for the collection of the delinquent rates and charges. If the municipality or county commission collects the delinquent account, plus fees and costs, from its customer or other responsible party, the municipality or county commission shall pay to the magistrate court the filing fees or other fees and costs which were previously deferred.

(d) No municipality or county commission may foreclose upon the premises served by it for delinquent rates or charges for which a lien is authorized by this section except through the bringing and maintenance of a civil action for such purpose brought in the circuit court of the county or the county wherein the municipality lies. In every such action, the court shall be required to make a finding based upon the evidence and facts presented that the municipality or county commission had exhausted all other remedies for the collection of debts with respect to such delinquencies prior to the bringing of such action. In no event shall foreclosure procedures be instituted by any municipality or county commission or on its behalf unless such delinquency had been in existence or continued for a period of two years from the date of the first such delinquency for which foreclosure is being sought. (1989, c. 133; 1990, cc. 140, 141.)

**Editor's notes.** — This section was amended twice in 1990, first by c. 140 (passed March 10, and effective 90 days from passage) and then by c. 141 (passed March 10, and in effect from passage). The text set out above reflects the amendment by c. 141, which amended and reenacted the entire article. As amended by c. 140, this section read: "(a) Whenever any rates and charges for water services or facilities furnished remain unpaid for a period of thirty days after the same become due and payable, the user of the services and facilities provided shall be delinquent and the user shall be held liable at law until such time as all such rates and charges are fully paid.

"(b) All rates or charges for water service whenever delinquent, as provided by ordinance of the municipality, shall be liens of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes for the amount thereof upon the real property served, and the municipality shall have plenary power and authority from time to time to enforce such lien in a civil action to recover the money due for such services rendered plus court fees and costs and a reasonable attorney's fee: Provided, That an owner of real property may not be held liable for the delinquent rates or charges for services or facilities of a tenant, nor shall any lien attach to real property for the reason of delinquent rates or charges for services or facilities of a tenant of

such real property, unless the owner has contracted directly with the municipality to purchase such services or facilities.

"(c) Municipalities are hereby granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrate court for the collection of the delinquent rates and charges. If the municipality collects the delinquent account, plus fees and costs, from its customer or other responsible party, the municipality shall pay to the magistrate court the filing fees or other fees and costs which were previously deferred.

"(d) No municipality may foreclose upon the premises served by it for delinquent rates or charges for which a lien is authorized by this section except through the bringing and maintenance of a civil action for such purpose brought in the circuit court of the county wherein the municipality lies. In every such action, the court shall be required to make a finding based upon the evidence and facts presented that the municipality had exhausted all other remedies for the collection of debts with respect to such delinquencies prior to the bringing of such action. In no event shall foreclosure procedures be instituted by any municipality or on its behalf unless such delinquency had been in existence or continued for a period of two years from the date of the first such delinquency for which foreclosure is being sought."

**§ 8-19-13. Discontinuance of water or electric power service for nonpayment of rates or charges.**

Any such municipality or county commission shall also have plenary power and authority, and may covenant with the holders of any bonds issued hereunder, to shut off and discontinue the supplying of the water or electric power service of said waterworks or electric power system for the nonpayment of the rates or charges for said water or electric power service. (1955, c. 133; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

**§ 8-19-14. Bonds for additions, betterments and improvements.**

Whenever any municipality or county commission shall now or hereafter own and operate a waterworks or electric power system, whether acquired, constructed, established, extended or equipped under the provisions of this article or not, and shall desire to construct additions, betterments or improvements thereto, it may issue revenue bonds under the provisions of this article to pay for the same, and the procedure therefor, including the fixing of rates or charges and the computation of the amount thereof, and the power and authority in connection therewith, shall be the same as in this article provided for the issuance of bonds for the acquisition, construction, establishment, extension or equipment of a waterworks system or electric power system in a

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**§ 8-19-15**

Any municipal power system proper system service corporation waterworks once each accounts to public for 1978, c. 72:

**§ 8-19-16**

Any holder coupons rep or other pr granted in granted her may enforce this article by the municipal officer, including charges for there be def bonds, or of appoint a re behalf of the trustee, or to provide for the payment receiver shall article and issued or an 1978, c. 72;

municipality or county which has not heretofore owned and operated a waterworks or electric power system: Provided, That nothing in this article shall be construed as authorizing any municipality or county commission to impair or commit a breach of the obligation of any valid lien or contract created or entered into by it, the intention being to authorize the pledging, setting aside and segregation of such revenues for the construction of such additions, betterments or improvements only where and to the extent consistent with outstanding obligations of such municipality or county commission, and in accordance with the provisions of this article. (1933, Ex. Sess., c. 26, § 10; 1933, 2nd Ex. Sess., c. 49; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

**§ 8-19-15. System of accounts; audit.**

Any municipality or county commission operating a waterworks or electric power system under the provisions of this article shall set up and maintain a proper system of accounts in accordance with the requirements of the public service commission, showing the amount of revenues received from such waterworks or electric power system and the application of the same. At least once each year such municipality or county commission shall cause such accounts to be properly audited, and a report of such audit shall be open to the public for inspection at all reasonable times. (1939, c. 98, § 10; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

**§ 8-19-16. Protection and enforcement of rights of bondholders, etc.; receivership.**

Any holder of any bonds issued under the provisions of this article or of any coupons representing interest accrued thereon may by civil action, mandamus or other proper proceeding enforce the statutory mortgage lien created and granted in section eight of this article, protect and enforce any and all rights granted hereunder or under any such ordinance, order or trust indenture, and may enforce and compel performance of all duties required by the provisions of this article or by any such ordinance, order or trust indenture to be performed by the municipality or county commission, or by the governing body or any officer, including the making and collecting of reasonable and sufficient rates or charges for services rendered by the waterworks or electric power system. If there be default in the payment of the principal of or interest upon any of such bonds, or of both principal and interest, any court having jurisdiction shall appoint a receiver to administer said waterworks or electric power system on behalf of the municipality or county commission, and the bondholders or trustee, or both, with power to charge and collect rates or charges sufficient to provide for the retirement of the bonds and pay the interest thereon, and for the payment of the repair, maintenance and operation expenses, and such receiver shall apply the revenues in conformity with the provisions of this article and the ordinance or order pursuant to which such bonds have been issued or any trust indenture, or both. (1933, Ex. Sess., c. 26, § 12; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

Rules of Civil Procedure. — As to receivers, see Rule 66.

PART V. GRANTS, LOANS, ADVANCES AND AGREEMENTS; CUMULATIVE AUTHORITY.

§ 8-19-17. Grants, loans, advances and agreements.

As an alternative to, or in conjunction with, the issuance of revenue bonds authorized by this article, any municipality or county commission is hereby empowered and authorized to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, or otherwise enter into agreement, including, but not limited to, agreements of indemnity, assurance or guarantee with respect to, and for the purpose of financing part or all of, the cost of acquisition, construction, establishment, extension or equipment of waterworks or electric power systems and the construction of additions, betterments and improvements to existing waterworks systems or to existing electric power systems, and for the other purposes herein authorized, from or with any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, or the municipality's or county's financial obligations contained in such other agreements, which need not bear interest, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of or proceeds from the said waterworks system or electric power system or grants to the municipality or county commission from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and may be secured in the manner provided in sections eight, nine and sixteen [ §§ 8-19-8, 8-19-9 and 8-19-16 ] of this article to secure bonds issued under the provisions of this article, but shall not otherwise be subject to the requirements of sections eleven and twelve [ §§ 8-19-11 and 8-19-12 ] of this article, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual.

In no event shall any such loan or temporary advance or agreement be a general obligation of the municipality or county and such loans or temporary advances or agreements, including the interest thereon, shall be paid solely from the sources specified in this section. (1961, c. 105; 1969, c. 86; 1978, c. 72; 1981, 1st Ex. Sess., c. 2; 1986, c. 118; 1986, 1st Ex. Sess., c. 18; 1990, c. 141.)

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**County financing of municipality.** — A county commission may finance the acquisition of a waterworks system by a municipality. Op. Att'y Gen., Apr. 1, 1985, No. 6 (decided under prior law).

**§ 8-19-18. Additional and alternative method for constructing or improving and for financing waterworks or electric power system; cumulative authority.**

This article shall, without reference to any other statute or charter provision, be deemed full authority for the acquisition, construction, establishment, extension, equipment, additions, betterment, improvement, repair, maintenance and operation of or to a waterworks or electric power system or for the construction of any additions, betterments, improvements, repairs, maintenance or operation of or to an existing electric power system as herein provided and for the issuance and sale of the bonds or the alternative methods of financing by this article authorized, and shall be construed as an additional and alternative method therefor and for the financing thereof, and no petition, referendum or election or other or further proceeding with respect to any such undertaking or to the issuance or sale of bonds or the alternative methods of financing under the provisions of this article and no publication of any resolution, ordinance, order, notice or proceeding relating to any such undertaking or to the issuance or sale of such bonds or the alternative methods of financing shall be required, except as prescribed by this article, any provisions of other statutes of the state to the contrary notwithstanding: Provided, That all functions, powers and duties of the state division of health shall remain unaffected by this article.

This article shall be construed as cumulative authority for any undertaking herein authorized, and shall not be construed to repeal any existing laws with respect thereto. (1933, Ex. Sess., c. 26, § 13; 1969, c. 86; 1978, c. 72; 1986, 1st Ex. Sess., c. 18; 1990, c. 141.)

PART VI. OPERATION BY BOARD; CONSTRUCTION.

**§ 8-19-19. Alternative procedure for acquisition, construction or improvement of waterworks or electric power system.**

As an alternative to the procedures hereinabove provided, any municipality or county commission is hereby empowered and authorized to acquire, construct, establish, extend, equip, repair, maintain and operate a waterworks or an electric power system or to construct, maintain and operate additions, betterments and improvements to an existing waterworks system or an existing electric power system, whether acquired, constructed, established, extended or equipped under the provisions of this article or not, and to collect the revenues therefrom for the services rendered thereby, through the supervision and control of a committee, by whatever name called, composed of all or a portion of the governing body, or of a board or commission appointed by such

governing body, as may be provided by the governing body, and if such alternative is followed, said committee, board or commission shall have and be limited to all the powers, authority and duties granted to and imposed upon a board as provided in article sixteen [§ 8-16-1 et seq.] of this chapter. (1961, c. 104; 1969, c. 86; 1978, c. 72; 1990, c. 141.)

§ 8-19-20. Article to be liberally construed.

This article is necessary for the public health, safety and welfare and shall be liberally construed to effectuate its purposes. (1933, Ex. Sess., c. 26, § 14; 1969, c. 86; 1990, c. 141.)

§ 8-19-21. Specifications for water mains and water service pipes.

Considering the importance of public fire protection, any state or local government, public service district, public or private utility which installs, constructs, maintains, or upgrades water mains, shall ensure that all new mains specifically intended to provide fire protection are supplied by mains which are not less than six inches in diameter. A permit or other written approval shall be obtained from the department of health and human resources for each hydrant or group of hydrants installed in compliance with section nine [§ 16-1-9], article one, chapter sixteen of the West Virginia code as amended: Provided, That all newly constructed water distribution systems transferred to a public or private utility shall have mains at least six inches in diameter where fire flows are desired or required by the public or private utility: Provided, however, That the utility providing service has sufficient hydraulic capacity as determined by the department of health and human resources. (1994, c. 31.)

ARTICLE 20.

COMBINED WATERWORKS AND SEWERAGE SYSTEMS.

Part I. Combined Waterworks and Sewerage Systems Authorized; Definitions.

- Sec. 8-20-1. Acquisition and operation of combined waterworks and sewerage systems; extension beyond corporate limits; definitions.
- 8-20-1a. Cooperation with other governmental units.
- 8-20-1b. Severance of combined system.

Part II. Right of Eminent Domain.

- 8-20-2. Right of eminent domain; limitations.

Part III. Revenue Bond Financing.

- 8-20-3. Ordinance describing project; contents.

- Sec. 8-20-4. Publication of abstract of ordinance and notice; hearing.
- 8-20-5. Amount, negotiability and execution of bonds; refund of outstanding obligations or securities by sale or exchange of bonds.
- 8-20-6. Bonds payable solely from revenues; not to constitute municipal indebtedness.
- 8-20-7. Lien of bondholders.
- 8-20-8. Covenants with bondholders.
- 8-20-9. Operating contract.
- 8-20-10. Power and authority of municipality to enact ordinances and make rules and regulations and fix rates or charges; change in rates or charges; failure to cure delinquency; delinquent rates

Sec.

8-20-11.

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**§ 13-2D-15. No notice, consent or publication required.**

No notice to or consent or approval by any other county court, other governmental body or public officer shall be required as a prerequisite to the issuance or sale of any bonds or the making of any agreement, mortgage or deed of trust under the authority of this article. No publication or notice shall be necessary to the validity of any resolution or proceeding had under this article. (1967, c. 157.)

*Editor's notes.* — As to the designation of county courts as county commissions, see W. Va. Const., art. IX, § 9.

**§ 13-2D-16. Severability.**

If any section, clause, provision or portion of this article shall be held to be invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect any other section, clause or provision of this article which is not in and of itself unconstitutional. (1967, c. 157.)

**§ 13-2D-17. Public officials exempt from personal liability.**

No official or member of a county court shall be personally liable on any contract or obligation executed pursuant to the authority herein contained, nor shall the issuance of bonds hereunder be considered as misfeasance in office. (1967, c. 157.)

*Editor's notes.* — As to the designation of county courts as county commissions, see W. Va. Const., art. IX, § 9.

**§ 13-2D-18. Prohibition of financial interest of public officials.**

No member of a county court issuing revenue bonds under the provisions of this article shall have any financial interest, directly or indirectly, in an airport acquired or constructed pursuant to this article. (1967, c. 157.)

*Editor's notes.* — As to the designation of county courts as county commissions, see W. Va. Const., art. IX, § 9.

**ARTICLE 2E.**

**REVENUE BOND REFUNDING ACT.**

- Sec. 13-2E-1. How article cited.
- 13-2E-2. Definitions.
- 13-2E-3. Authority to refund.
- 13-2E-4. Terms, form and execution of refunding bonds.

- Sec. 13-2E-5. Issuance of refunding bonds; application of proceeds.
- 13-2E-6. Determination of governing body to be conclusive.
- 13-2E-7. Authorization for issuance.

Sec.	Sec.
13-2E-8. Authority for escrow agreement.	13-2E-12. Tax exemption; exceptions.
13-2E-9. Call of revenue bonds for redemption.	13-2E-13. Validity of bonds.
13-2E-10. Security provisions.	13-2E-14. Article complete authority for re-funding bonds; effect on other laws; liberal construction.
13-2E-11. Bonds payable solely from revenues of enterprise.	13-2E-15. Severability.

### § 13-2E-1. How article cited.

This article may be cited as "Revenue Bond Refunding Act." (1969, c. 12.)

### § 13-2E-2. Definitions.

The following terms or words, wherever used or referred to in this article, shall have the following meaning, unless a different meaning plainly appears from the context:

The term "public body" means any city, town, village, county, public service district, sanitary district, political subdivision or any other similar public entity now or hereafter created, and the state of West Virginia acting through any of its agencies, boards, commissions or departments, having power to issue revenue bonds.

The term "governing body" means a board, council or other body having power to borrow money on behalf of a public body.

The term "law" means any act or statutes, general, special or local, of this state, including, without being limited to, the charter of any public body.

The term "enterprise" means any work, undertaking, or project which the public body is or may hereafter be authorized to acquire or construct and from which the public body has heretofore derived or may hereafter derive revenues, for the refinancing of which enterprise refunding bonds are issued under this article, and such enterprise shall include all improvements, betterments, extensions and replacements thereto, and all appurtenances, facilities, lands, rights in land, water rights, franchises, and structures in connection therewith or incidental thereto; and for the purposes of this article "enterprise" includes the waterworks system or the sewerage system, or both said systems, resulting from the severance of a combined waterworks and sewerage system pursuant to section one-b [§ 8-20-1b] article twenty, chapter eight of this code, all as the governing body shall authorize in the ordinance authorizing said severance.

The term "revenues" means all fees, tolls, rates, rentals and charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the public body from the operation of any enterprise or arising from any enterprise, and including earnings derived from investments and bank deposits.

The term "revenue bonds" means notes, bonds, certificates or other obligations of a public body heretofore or hereafter issued and outstanding under any law and which by their terms are payable from the revenues derived by such public body from the operation of an enterprise.

The term "refunding bonds" means notes, bonds, certificates or other obligations of a public body issued pursuant to this article.

The term "holder of bonds" or "bondholder" or any similar term means any person who shall be the bearer of any outstanding refunding bond or refunding bonds registered to bearer or not registered, or the registered owner of any such outstanding refunding bond or refunding bonds which shall at the time be registered other than to bearer.

The words "net interest cost" when referring to an outstanding issue of revenue bonds to be refunded, means the total amount of interest which would accrue on such revenue bonds from the date of the refunding bonds to the respective maturity dates of the outstanding revenue bonds to be refunded, without regard to any retained options of redemption.

The words "net interest cost" when referring to a proposed issue of refunding bonds, means the total amount of interest to accrue on the refunding bonds from their date to their respective maturities, without regard to any retained options of redemption, plus the amount of any discount below par or less the amount of any premium above par at which the bonds may be sold.

The words "net effective interest rate" when referring to a proposed issue of refunding bonds, means the net interest cost of said refunding bonds divided by the product obtained by multiplying the aggregate principal amount of such refunding bonds maturing on each maturity date by the number of years from the date of the refunding bonds to their respective maturities, without regard to any retained options of redemption.

The term "certified public accountant" means an independent certified public accountant or firm of certified public accountants licensed to practice in this state.

Words importing the singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. (1969, c. 12; 1986, c. 118.)

### **§ 13-2E-3. Authority to refund.**

Any public body may issue refunding bonds for the purpose of refunding all or any part of its revenue bonds now or hereafter outstanding, whether or not such revenue bonds are at the time of the refunding due or optional for redemption, under the circumstances and restrictions set forth in this article. Refunding bonds shall be payable from revenues derived from the same enterprise as the revenue bonds to be refunded except where the public body has outstanding revenue bonds payable from the revenues of an enterprise and is authorized under any other law to combine and consolidate such enterprise with another enterprise and issue revenue bonds payable from the revenues of the combined and consolidated enterprises. An issue of refunding bonds may refund part or all of one or more issues of outstanding revenue bonds: Provided, That part or all of two or more issues of outstanding revenue bonds may not be refunded under this article unless either (a) all of the issues of outstanding revenue bonds to be refunded are payable from revenues derived from the same enterprise, or (b) the public body is authorized under any other law to combine or consolidate the enterprises in question and issue revenue bonds payable from the revenues of the combined or consolidated enterprises.

Refunding bonds may be issued hereunder whenever the governing body of the public body deems it expedient and, notwithstanding any provision in this article to the contrary, may be issued as part of a series of revenue bonds issued for the purpose, in addition to such refunding, of financing the acquisition or construction of improvements, betterments, extensions or replacements to the particular enterprise, as provided by other articles of this Code. (1969, c. 12; 1981, 1st Ex. Sess., c. 2.)

#### **§ 13-2E-4. Terms, form and execution of refunding bonds.**

Refunding bonds authorized under this article may be issued in one or more series; may bear such date or dates; may mature at such time or times, not exceeding the period of usefulness of the enterprise, as determined by the governing body in its discretion, not exceeding forty years from their respective dates; may bear interest at such rate or rates; may be in such denomination or denominations; may be in such form either coupon or registered; may carry such registration and conversion privileges; may be executed in such manner; may be payable in such medium of payment, at such place or places; may be subject to such terms of redemption, with or without a premium; may be declared or become due before the maturity date; may provide for the replacement of mutilated, destroyed, stolen or lost bonds; may be authenticated in such manner and upon compliance with such conditions; and may contain such other terms and covenants, as may be determined by the governing body in the proceedings authorizing the refunding bonds. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that the bond is nonnegotiable, all refunding bonds shall at all times be, and shall be treated as, negotiable instruments for all purposes. (1969, c. 12; 1981, 1st Ex. Sess., c. 2.)

#### **§ 13-2E-5. Issuance of refunding bonds; application of proceeds.**

Refunding bonds issued under this article may be exchanged for not less than a like principal amount of the revenue bonds to be refunded, or may be sold at public or private sale, or may be exchanged in part and sold in part, in such manner and upon such terms as may be determined by the governing body to be for the best interests of the public body: Provided, That such refunding bonds shall not be sold or exchanged at a price lower than a price which will show a net saving to the issuer after deducting all expenses of the refunding: Provided, however, That if the governing body determines that one of the purposes of issuing such refunding bonds is to effect the release, termination or modification of liens, restrictions, conditions or limitations imposed in connection with the bonds which are to be refunded, then such refunding bonds may be issued without the necessity of showing a net saving to the issuer, in which event such refunding bonds shall bear interest at such rate or rates as the governing body may determine, but such rate or rates shall not exceed the maximum stated rate of interest which the revenue bonds to be

refunded thereby could bear if they were being issued as of the date of issuance of such refunding bonds, and such refunding bonds may not be sold or exchanged at a price which would result in a net interest cost in excess of the maximum net interest cost which the revenue bonds to be refunded could be sold or exchanged for if they were being issued as of the date of issuance of such refunding bonds.

If any such refunding bonds are to be sold, they may be issued in such principal amount as may be determined advisable by the governing body including, without limitation, the aggregate principal amount of the revenue bonds to be refunded, interest accrued and to accrue to the date or dates on which the revenue bonds being refunded are scheduled to mature or to be redeemed prior to maturity, any redemption premiums which must be paid in order to refund such outstanding revenue bonds and any costs and expenses of issuing the refunding bonds and providing for retirement of revenue bonds to be refunded. If sold, the net proceeds shall either be immediately applied to the payment or redemption and retirement of the revenue bonds to be refunded, or the net proceeds of the refunding bonds may be invested at the discretion and under the supervision of the escrow agent in whole, or in part, (a) in direct obligations issued by the United States of America or one of its agencies, (b) in obligations unconditionally guaranteed by the United States of America as to principal and interest, or (c) in certificates of deposit of a banking corporation or association which is a member of the federal deposit insurance corporation, or successor; but any such certificates of deposit must be fully secured as to both principal and interest by pledged collateral consisting of direct obligations of or obligations guaranteed by the United States of America having a market value, excluding accrued interest, at all times at least equal to the amount of the principal of an accrued interest on such certificates of deposit. Any such investments must mature, or be payable in advance of maturity at the option of the holder, and must bear interest in such manner as to provide funds which, together with uninvested money placed in the hereinafter mentioned escrow, will be sufficient to pay when due or called for redemption the revenue bonds refunded, together with interest accrued and to accrue thereon and redemption premiums, if any, and such refunding bond proceeds or obligations so purchased therewith shall, and with other funds legally available to the public body for such purpose may, be deposited in escrow with the West Virginia municipal bond commission or a corporate trustee, which may be a trust company or bank having powers of a trust company within or without the state of West Virginia, to be selected by the issuer to be held in trust for the payment and redemption of the revenue bonds refunded, and such money and obligations and any reinvestment thereof shall be held in trust by such escrow agent for the payment of interest on the refunded bonds when due, and principal thereof and applicable redemption premiums, if any, when due, or upon the date or dates for which they shall have been called for redemption, or upon an earlier voluntary surrender at the option of the escrow agent; provided if interest earned by any investment in such escrow is shown to be in excess of the amounts required from time to time for the payment of interest on and principal of the refunded revenue bonds, including applicable redemption

premium, then such excess may be withdrawn from escrow and disbursed by the public body as are other revenues of the enterprise. Any moneys in the sinking or reserve funds or other funds maintained for the outstanding revenue bonds to be refunded may be applied in the same manner and for the same purpose as are the net proceeds of refunding bonds or may be deposited in the special fund or any reserve funds established for account of the refunding bonds. The term "net proceeds" as used above shall mean the gross proceeds of the refunding bonds after the deduction therefrom of all accrued interest, costs and expenses incurred in connection with the authorization and issuance of the refunding bonds and the retirement of the outstanding revenue bonds, and including all costs and expenses resulting from price variations to par or otherwise incurred in the purchase of obligations for escrow and in the disposition of the refunding bonds. (1969, c. 12; 1973, c. 115; 1986, c. 118.)

**§ 13-2E-6. Determination of governing body to be conclusive.**

The determination by the governing body of any public body issuing refunding bonds under this article that the limitations herein imposed upon the issuance of refunding bonds have been met, shall be conclusive: Provided, however, That such public body shall have obtained from an independent certified public accountant a certification that the amount of saving stated to be achieved by the refunding shall in fact be served, based upon his review, comparison and analysis of the net interest cost in dollars of the refunding bonds and the net interest cost in dollars of the bonds to be refunded. (1969, c. 12.)

**§ 13-2E-7. Authorization for issuance.**

Refunding bonds and all acts required to be authorized hereunder shall be authorized in the manner in which the bonds to be refunded were authorized and issued: Provided, That refunding bonds of a system resulting from the severance of a combined municipal waterworks and sewerage system shall to the extent applicable be authorized and issued under the terms and provisions of law, including, but not limited to, interest rates and net interest costs, under which revenue bonds of such resulting system would be authorized and issued. (1969, c. 12; 1986, c. 118.)

**§ 13-2E-8. Authority for escrow agreement.**

The governing body of any public body shall have power to enter into such escrow agreements and to insert therein such protective and other covenants and provisions as it may consider necessary to permit the carrying out of the provisions of this article and to insure the prompt payment of principal of and interest and redemption premiums on the revenue bonds refunded. (1969, c. 12.)

**§ 13-2E-9. Call of revenue bonds for redemption.**

Where any revenue bonds to be refunded are not to be surrendered for exchange or payment and are not to be paid at maturity with escrowed obligations, but are to be paid from such source prior to maturity pursuant to call for redemption exercised under a right of redemption reserved in such revenue bonds, the governing body of the public body shall, prior to the issuance of the refunding bonds, determine which redemption date or dates shall be used, call such revenue bonds for redemption and provide for the giving of the notice of redemption required by the proceedings authorizing such revenue bonds. Where such notice is to be given at a time subsequent to the issuance of the refunding bonds, the necessary notices may be deposited with the state sinking fund commission or the bank acting as escrow agent of the refunding bond proceeds and the escrow agent appropriately instructed and authorized to give the required notices at the prescribed time or times. If any officer of the public body signing any such notice shall no longer be in office at the time of the utilization of the notice, the notice shall nevertheless be valid and effective for its intended purpose. (1969, c. 12.)

**§ 13-2E-10. Security provisions.**

Refunding bonds shall be special obligations of the public body and shall be payable solely from and secured by a lien upon the gross revenues or net revenues of the enterprise, as shall be more fully described in the ordinance or resolution authorizing the issuance of refunding bonds, and the ordinance or resolution authorizing such refunding bonds shall provide for a special fund into which there shall be pledged a fixed amount or a fixed proportion of such revenues which shall be sufficient to pay the principal of and interest on the refunding bonds as the same become due.

In order to assure payment of the principal and interest on any refunding bonds it shall be the duty of the governing body of the public body to establish, levy, maintain and collect such fees, tolls, rentals, rates and other charges for the services of such enterprise as shall be necessary to produce revenues sufficient, after making due and reasonable allowance for contingencies and for a margin of error in estimates, to pay at all times principal of and interest on the refunding bonds as the same become due, to pay current expenses of operation and maintenance, to provide for depreciation, to provide for reserves for any of the foregoing, to comply in all respects with any contract or agreement with bondholders set forth in the ordinance or resolution authorizing such refunding bonds, and to meet any other obligations of the public body which by their terms are charges, liens, or encumbrances upon the revenues of such enterprise.

The ordinance or resolution authorizing any refunding bonds may contain such covenants with the holders of the refunding bonds as to the efficient management and operation of the enterprise; the collection, keeping and disposition of the revenues of the enterprise; the issuance of additional refunding bonds or revenue bonds; the carrying of insurance on such enterprise and the disposition of insurance proceeds; the keeping of books and

records and the auditing thereof; the inspection by bondholders at reasonable times of the enterprise and the records, accounts and data of the public body relating thereto; limitations upon the sale or other disposition of integral parts of the enterprise; the discontinuance of the services and facilities of the enterprise upon failure to pay for such services and facilities; the appointment and duties of a trustee; the rights, liabilities, powers and duties arising upon the breach by the public body of any covenants, conditions or obligations contained in the ordinance or resolution authorizing the issuance of such refunding bonds; remedies of bondholders upon default in the payment of the principal of or interest on any refunding bonds, including the appointment by a court of competent jurisdiction of a receiver for the operation and management of the enterprise and the collection and disbursement of the revenues thereof, but such receiver or any court having jurisdiction in the matter shall not be permitted to sell, mortgage or otherwise dispose of any assets of the enterprise and useful in its operation or cause any of such assets to be sold, mortgaged or otherwise disposed of; and any other conditions, acts or pertinent matters as may be deemed necessary or proper by the governing body of the public body to assure efficient operation of the enterprise, payment of the refunding bonds and marketability of the refunding bonds upon favorable terms. Any agreement or covenant contained in the ordinance or resolution authorizing such refunding bonds shall constitute a contract with the holders of such refunding bonds.

All refunding bonds of the same issue shall be equally and ratably secured, without priority by reason of number, date or time of sale, execution or delivery, by a lien upon the revenues of the enterprise in accordance with the provisions of this section and the ordinance or resolution authorizing the issuance of such refunding bonds.

Nothing in this section or in any other section of this article shall be deemed in any way to alter the terms of any agreements made with the holders of any outstanding revenue bonds of the public body, or to authorize the public body to alter the terms of any such agreements, or to impair, or authorize the public body to impair, the rights and remedies of any creditors of the public body.

Nothing in this section or in any other section of this article shall be deemed in any way to authorize any public body to do anything in any manner or for any purpose which would result in the creation or incurring of a debt or indebtedness or the issuance of any instrument which would constitute a bond or debt within the meaning of any provision, limitation, or restriction of the Constitution relating to the creation or incurring of a debt or indebtedness or the issuance of an instrument constituting a bond or a debt. (1969, c. 12.)

#### **§ 13-2E-11. Bonds payable solely from revenues of enterprise.**

No recourse shall be had for the payment of the refunding bonds, or interest thereon, or any part thereof, against the general fund of any public body, nor shall the credit or taxing power of any public body be deemed to be pledged thereto.

The refunding bonds, and interest thereon, shall not be a debt of the public body, nor a charge, lien or encumbrance, legal or equitable, upon any property of the public body, nor upon any income, receipts, or revenues of the public body other than such of the revenues of the enterprise as shall have been pledged to the payment thereof, and every refunding bond shall recite in substance that said bond, including interest thereon, is payable solely from the revenues pledged to the payment thereof and that the public body is under no obligation to pay the same, except from said revenues. (1969, c. 12.)

#### **§ 13-2E-12. Tax exemption; exceptions.**

The refunding bonds and the income therefrom shall be exempt from taxation, except inheritance, estate and transfer taxes. (1969, c. 12.)

#### **§ 13-2E-13. Validity of bonds.**

Refunding bonds bearing the signatures of officers of the public body in office on the date of the signing thereof shall be valid and binding obligations of the public body for all purposes, notwithstanding that before the delivery thereof any or all the persons whose signatures appear thereon shall have ceased to be officers of the public body, the same as if such persons had continued to be officers of the public body until after the delivery thereof. The ordinance or resolution authorizing any refunding bonds may provide that such refunding bond may contain a recital that such refunding bond is issued pursuant to this article, and any refunding bond containing such recital under authority of any such ordinance or resolution shall be conclusively deemed to be valid and to have been issued in conformity with the provisions of this article.

Where any refunding bonds have been heretofore authorized by any public body which would have been valid under and in compliance with the provisions of this article had this article been in existence at the time of the authorization of such refunding bonds, such refunding bonds if heretofore issued, and if not yet issued then such refunding bonds when they shall have been issued, and the proceedings authorizing their issuance, are hereby validated, ratified and confirmed and declared to be binding and enforceable obligations in accordance with their terms. (1969, c. 12.)

#### **§ 13-2E-14. Article complete authority for refunding bonds; effect on other laws; liberal construction.**

This article constitutes full and complete authority for the issuance of refunding bonds. No procedure or proceedings, publications, notices, consents, approvals, orders, acts or things by any governing body of any public body, or any board, officer, commission, department, agency, or instrumentality of the State or any public body shall be required to issue any refunding bonds or to do any act or perform anything under this article, except as may be prescribed in this article. The powers conferred by this article shall be in addition and supplemental to, and not in substitution for, and the limitations imposed by

this article shall not affect, the powers conferred by any other law. This article is remedial in nature and shall be liberally construed. (1969, c. 12.)

### § 13-2E-15. Severability.

If any one or more provisions of this article or the applicability thereof to any persons or circumstances are ever held by a final decision of a court of competent jurisdiction to be invalid, such invalidity shall not affect any other provision or provisions, application or applications of this article, and to this end, the provisions of this article are declared to be severable. (1969, c. 12.)

## ARTICLE 2F.

### PUBLIC OBLIGATIONS REGISTRATION ACT.

Sec.		Sec.	
13-2F-1.	How article cited.	13-2F-5.	Powers of official registrar; designee.
13-2F-2.	Purposes; article governs over charter provisions.	13-2F-6.	Confidentiality.
13-2F-3.	Definitions.	13-2F-7.	Application to public obligations approved by voters.
13-2F-4.	Authority to issue public obligations in registered and book entry forms.		

### § 13-2F-1. How article cited.

This article may be cited as "Public Obligations Registration Act." (1986, c. 118.)

### § 13-2F-2. Purposes; article governs over charter provisions.

The purpose of this article is to provide a mechanism for public bodies in the state to issue public obligations in compliance with section 310(b)(1) of the tax equity and fiscal responsibility act of one thousand nine hundred eighty-two, United States Internal Revenue Code section 103(j) [26 U.S.C. § 103(j)], as amended.

To fulfill the purpose, this article shall govern notwithstanding any charter provisions. (1986, c. 118.)

*Editor's notes.* — The bracketed U.S.C. reference was inserted by the editor.

### § 13-2F-3. Definitions.

The following terms wherever used or referred to in this article shall have the following meanings, unless a different meaning plainly appears from the context:

The term "public body" means any city, town, county commission, building commission, board of education, public service district, political subdivision or any other public entity, whether created before, on or after the effective date of