$4,900,000

CITY OF RIPLEY

WATER REVENUE BONDS
SERIES 2007 A AND 2007 B

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BOND
SERIES 2007

INDEX OF CLOSING DOCUMENTS

1. Certified copy of Chapter 8, Article 19, of the Code of West Virginia, 1931, as amended.

2. Certified copy of the Amended Charter of the City of Ripley, West Virginia (the "City").

3. Certified copy of selected Administrative Ordinances of the City.

4. Certified copy of the Oaths of Office of the Mayor, Recorder and Council members of the City.

5. Certified copy of Ordinances enacted by the Council of the City on February 17, 2004, and December 5, 2006, establishing water rates (collectively, the "Rate Ordinance") and related Affidavits of Publication of notice of public hearing on each Rate Ordinance and Certifications of the Mayor that Notice was duly posted.

6. Copies of Minutes of meetings of the City Council on December 19, 2006, and January 2, 2007, regarding enactment of Bond Ordinance and copy of the Minutes of the meeting of the City Council on January 19, 2007, with respect to the public hearing.

7. Certified copy of Bond Ordinance passed by the Council of the City on December 19, 2006, and January 2, 2007, and placed into effect on January 19, 2007 following a public hearing, authorizing the City's Water Revenue Bonds, Series 2007 (the "Bond Ordinance") and public hearing thereon.

8. Affidavit of publication of the abstract of Bond Ordinance and notice of public hearing on Bond Ordinance in The Jackson Herald.

9. Environmental Health Service Permit

10. Engineer's Certificate.

11. Recommended Decision of the Public Service Commission of West Virginia (the "Commission") dated June 28, 2006, which became the Final Order of the Commission on July 18, 2006, and Order of the Commission dated January 23, 2007, granting the Certificate of Convenience and Necessity to the City for the Project.

12. General Certificate, dated January 23, 2007, signed by the Mayor, Recorder and Counsel, including:

    A. Award of Bonds
    B. No Litigation

C. Governmental Approvals
D. No Adverse Financial Change; Indebtedness
E. Signatures, Etc.
F. Certification of Copies of Documents
G. Incumbency and Official Name
H. Delivery and Payment
I. Land and Rights of Way
J. Meetings, Etc.
K. Contractors' Insurance, Etc.
L. Connections, Etc.
M. Rates
N. Publication and Public Hearing on Bond Ordinance

13. Certificate of Certified Public Accountant

14. Opinion of Bowles Rice McDavid Graff & Love LLP, Bond Counsel.

15. Opinion of Adams, Fisher & Chappell, Counsel to the Issuer

16. Receipt for Bond No. AR-1, Bond No. BR-1 and Transcript dated January 23, 2007, signed by Rural Utilities Service.

17. Receipt for $240,130.38 of the Proceeds of the Bonds, dated January 23, 2007, signed by the Mayor.

18. Specimen Bonds.

State of West Virginia

Certificate

I, Betty Ireland, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 8, ARTICLE 19 OF THE WEST VIRGINIA CODE, AND CHAPTER 8 ARTICLE 19 OF THE 2006 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

January 17, 2007

Secretary of State

the provider of water
sers who are delinquent in
the municipality. The
ed hereby to discontinue
his purpose; however, prior
lity shall contract with the
de that the municipality
all costs and expenses
to the delinquent user of
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or or in violation of the
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this purpose shall have the
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to recover the money due
and a reasonable attorney's
not be held liable for the
of a tenant, nor shall any
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se such services or facili-

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ates and charges. If the
us fees and costs, from its
ty shall pay to the magis-
s which were previously

(e) No municipality may foreclose upon the premises served by it for delinquent rates and charges for which a lien is authorized by this sectionexcept 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 has been in existence or continued for a period of two years from the date of the first such delinquency for which foreclosure is being instituted. (1989, c. 133; 1990, c. 140.)

Code of State Rules References. — Rules and regulations for the government of gas utilities and gas pipeline safety, 150CSR4, effective July 21, 1996.

Rules and regulations for the government of sewer utilities, 150CSR5, effective January 2, 1996.

Purpose. — The effect of the 1989 amendment of this section was to grant cities this additional remedy — the right to insist upon the termination of water service to any delinquent sewer user; the effect of the 1990 amendment was to remove the lien remedy as to rental property, i.e., no liens could be placed on an owner's property because a tenant failed to pay a bill. City of Charleston v. Public Serv. Comm'n, 57 F.3d 385 (4th Cir. 1995), cert. denied, 516 U.S. 974, 116 S. Ct. 474, 133 L. Ed. 2d 404 (1995).

Contract clause claim. — Assuming the cities had standing to pursue their contract clause claim, if their bond contracts were impaired at all by the 1990 amendment of this section, that impairment was clearly insubstantial, and there was no violation of the contract clause. City of Charleston v. Public Serv. Comm'n, 57 F.3d 385 (4th Cir. 1995), cert. denied, 516 U.S. 974, 116 S. Ct. 474, 133 L. Ed. 2d 404 (1995).

Liability of owner. — After the 1990 amendment of this section, an owner could not be held personally liable and a lien could not be placed on his property to recover sewer charges owed by delinquent former tenants. City of Charleston v. Public Serv. Comm'n, 57 F.3d 385 (4th Cir. 1995), cert. denied, 516 U.S. 974, 116 S. Ct. 474, 133 L. Ed. 2d 404 (1995).

ARTICLE 19.

MUNICIPAL AND COUNTY WATERWORKS AND ELECTRIC POWER SYSTEMS.

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 §§ 8-19-1 through 8-19-20 for former §§ 8-19-1 through 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.

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, 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.

Editor's notes. — Concerning the reference to "the date of the passage of this act," Acts 1990, c. 141, to which the language is referring, passed March 10, 1990, and became effective upon passage.

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.

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).

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.

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 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. — Concerning the reference to "the effective date of the amendments to this section made in the year one thousand nine hundred ninety-two," Acts 1992, c. 147, which amended this section and added the language, became effective 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] 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.)

§ 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] 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 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.)

§ 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 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. (1989, c. 133; 1990, cc. 140, 141.)

Editor's notes. — This section was amended twice in 1990, first by c. 141 (passed March 10, and in effect from passage) and then by c. 140 (passed March 10, and effective 90 days from passage). The text set out above reflects the amendment by c. 140. As amended by c. 141, 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 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 o county commission or on its behalf unless suc delinquency had been in existence or continue for a period of two years from the date of th first such delinquency for which foreclosure i 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 powe and authority, and may covenant with the holders of any bonds issue hereunder, to shut off and discontinue the supplying of the water or electri power service of said waterworks or electric power system for the nonpaymen of the rates or charges for said water or electric power service. (1955, c. 13 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 hereafte own and operate a waterworks or electric power system, whether acquire constructed, established, extended or equipped under the provisions of thi article or not, and shall desire to construct additions, betterments or improve ments thereto, it may issue revenue bonds under the provisions of this artic to pay for the same, and the procedure therefor, including the fixing of rates c charges and the computation of the amount thereof, and the power an authority in connection therewith, shall be the same as in this article provide for the issuance of bonds for the acquisition, construction, establishmen extension or equipment of a waterworks system or electric power system in municipality or county which has not heretofore owned and operated waterworks or electric power system: Provided, That nothing in this artic shall be construed as authorizing any municipality or county commission t impair or commit a breach of the obligation of any valid lien or contract create or entered into by it, the intention being to authorize the pledging, settin aside and segregation of such revenues for the construction of such addition betterments or improvements only where and to the extent consistent wit outstanding obligations of such municipality or county commission, and i accordance with the provisions of this article. (1933, Ex. Sess., c. 26, § 1 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 electr power system under the provisions of this article shall set up and maintain proper system of accounts in accordance with the requirements of the publ service commission, showing the amount of revenues received from suc waterworks or electric power system and the application of the same. At leas once each year such municipality or county commission shall cause suc

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 water-

works 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 [§ 8-19-8], nine [§ 8-19-9] and sixteen [§ 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 [§ 8-19-11] and twelve [§ 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.)

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 under-

taking 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 re-

sources 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 SYSTEMS.

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

Legislative intent. — It appears clear that 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

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or may hereafter be constructed and laid (whether constructed and laid under the provisions of this article or any other provisions of law) upon which lot or parcel of land any business or residence building is now located or may hereafter be erected, not connected with a public sewer, may be required and compelled by the municipality or by the Board of Health to connect any such building with such sewer. Notice so to connect shall be given by the municipality or by the Board of Health to the owner and to the lessee or occupant of such building. The owner or owners shall connect to the municipal sewer within thirty days after notice to connect has been sent by the municipality. Regardless of whether the owner or owners connect to such sewer, the municipality may bill the owner or owners of the lot or parcel and the owner or owners shall pay the municipality's charge based on the actual water consumption on the lot or parcel. If the lot or parcel is not metered, the municipality's charge shall be based on the municipality's good faith estimate of the consumption on the lot or parcel. (1908, c. 8, § 3; Code 1923, c. 47, § 49c(3); 1969, c. 86; 1989, c. 133; 1999, c. 202; 2004, c. 185.)

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, added "Regardless of whether a lot or parcel is within any municipality's geographical limits" to the first sentence; deleted former third and fourth sentences pertaining to fines for not having sewer connected within specified time and who has jurisdiction to hear, try, determine and sentence for violations; and added the present last three sentences.

Cited in Buda v. Town of Masontown, 2005 W. Va. LEXIS 18, — W. Va. —, — S.E.2d — (Mar 22, 2005).

ARTICLE 19.

MUNICIPAL AND COUNTY WATERWORKS AND ELECTRIC POWER SYSTEMS.

Part IV. Revenue Bond Financing.

PART IV. REVENUE BOND FINANCING.

§ 8-19-12a. Deposit required for new customers; lien for delinquent service rates and charges; failure to cure delinquency; payment from deposit; reconnecting deposit; return of deposit; liens; civil actions; deferral of filing fees and costs in magistrate court action; limitations with respect to foreclosure.

(a)(1) Whenever any rates and charges for water services or facilities furnished remain unpaid for a period of twenty 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. When a payment has become delinquent, the municipality may utilize any funds held as a security deposit to satisfy the delinquent payment. All new applicants for service shall indicate to the municipality or governing body whether they are an owner or tenant with respect to the service location.

(2) The municipality or governing body, but only one of them, may collect from all new applicants for service a deposit of fifty dollars or two twelfths of the average annual usage of the applicant's specific customer class, whichever is greater, to secure the payment of water service rates, fees and charges in the event they become delinquent as provided in this section. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent and the user's service is disconnected or terminated, no reconnection or reinstatement of service may be made by the municipality or governing body until another deposit equal to fifty dollars or a sum equal to two twelfths of the average usage for the applicant's specific customer class, whichever is greater, is remitted to the municipality or governing body. After twelve months of prompt payment history, the municipality or governing body shall return the deposit to the customer or credit the customer's account with interest at a rate as the public service commission may prescribe: Provided, That where the customer is a tenant, the municipality or governing body is not required to return the deposit until the time the tenant discontinues service with the municipality or governing body. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The municipality or governing body may, under reasonable rules promulgated by the public service commission, shut off and discontinue water services to a delinquent user of water facilities ten days after the water services become delinquent regardless of whether the municipality or governing body utilizes the security deposit to satisfy any delinquent payments.

(b) All rates or charges for water service whenever delinquent 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 magis-

trate 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. (1989, c. 133; 1990, cc. 140, 141; 2004, c. 185.)

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, in the section heading, added "Deposit required for new customers" to the beginning, deleted "notice of delinquency" preceding "failure," and inserted "payment from deposit; reconnecting deposit; return of deposit; liens"; added (a)(2); in (a)(1), in the first sentence, substituted "twenty" for "thirty" and "property and the owner thereof, as well as the" for "owner" preceding the second occurrence of "user," and "and property" following the second occurrence of "user," and added the last two sentences; and deleted "as provided by ordinance of the municipality" following the first occurrence of "delinquent" in (b).

ARTICLE 20.

COMBINED WATERWORKS AND SEWERAGE SYSTEMS.

Part III. Revenue Bond Financing.

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, inserted "Waterworks and Sewerage" in the article heading.

Amended Charter of the City of Ripley
2003

1. The corporate limits and boundaries of the City of Ripley shall be as follows:

A. The real estate described as follows:

Beginning at the mouth of Sycamore Creek; thence up Big Mill Creek with the meanderings thereof to a large sycamore at or near the corner of the land formerly owned by James Greer; thence with the lines of said farm to a large white oak on the line of George J. Walker; from thence north to Sycamore Creek; thence down said Creek with meanderings to place of beginning; and

B. All areas annexed thereto since 1867.

2. The municipal authorities of said City shall be a Mayor, Recorder and five members of Council, who together shall form a Common Council. They shall be elected by the citizens of said City entitled to vote under this Act, and they must be residents of the City of Ripley and qualified voters entitled to vote for members of the governing body of the Municipality. It shall not be necessary that the municipal authorities, for the year preceding their election, have been assessed with or paid real or personal property taxes to the Municipality upon at least one hundred dollars' worth of property therein.
(W. Va. Code 8-5-7)

Commencing with the municipal election in June 2003, persons elected to all five (5) Council positions and to the positions of Mayor and Recorder shall serve a term of four (4) years. Thereafter, persons elected Mayor, Recorder and Council persons shall serve a term of four (4) years, or until their successor is duly elected or appointed, or otherwise qualified, as provided by law.

3. The Mayor, Recorder and Council persons, so soon as they have been elected and qualified, shall be a body corporate by the name of "The City of Ripley" and shall have perpetual succession and a common seal, by that name may sue and be sued, may rent or purchase and hold real estate necessary to entitle them to discharge their duties, and needful for the good order, government and welfare of said City. The corporate powers thereof shall be exercised by said Council, or under their authority, except where otherwise provided.

The City of Ripley is hereby granted all of the rights and privileges, and imposed with all of the duties imposed on, municipalities by the Code of the State of West Virginia; provided, that where a provision of this Charter is inconsistent with the Code of the State of West Virginia, and such inconsistency is expressly permitted by the Code of the State of West Virginia, then the provisions of this Charter shall control.

4. There shall be a Treasurer, City Superintendent and Police Chief appointed by the Council, to continue in office, during its pleasure, and perform the duties respectively as hereinafter prescribed, or as may be required by said Council.

5. Elections of Mayor, Recorder and Council persons of the City of Ripley shall be in accordance with the general law relating to elections, as set forth in the Code of the State of West Virginia, except as otherwise provided in this Charter. All persons resident in said City and entitled to vote for county and state officers shall be entitled to vote for Mayor, Recorder and Council persons.

6. (Reserved)

7. The Mayor, Recorder, and Council persons, together with the Police Chief, Treasurer and City Superintendent, shall each, before entering upon the duties of office and within twenty (20) days after notice of election make oath or affirmation before an officer authorized to administer oaths, as required by law, that they will well and truly and impartially discharge the duties of their offices respectively. The Mayor, having taken such oath or affirmation, may administer the oaths aforesaid to the other officers and Council persons. Certificates of said oaths or affirmation shall be recorded in the journal of the proceedings of the Council, and where any four of the Council persons shall have been so qualified, they shall enter upon their said offices and supersede the former Council persons.
(W. Va. Code 8-5-8)

8. If anyone elected Mayor, Recorder or Council persons shall not have been eligible, or fail or refuse to take the oath or affirmation required by this Act, within the 20 days aforesaid, or shall die or remove from said City, such office shall be declared vacant, and the vacancy filled as hereinbefore prescribed, but in all cases from the citizens of the City eligible to such office under this Act.

9. The Council shall be presided over at its meetings by the Mayor, or in the Mayor's absence by one of the Council persons chosen by a majority of the Council present, and a majority of the Council shall be necessary to constitute a quorum to do business. The Council shall cause to be kept, in a well-bound book, an accurate account of its proceedings, ordinances, by-laws, acts, rules, regulations and orders, which shall be fully indexed and open to inspection by anyone who is required to pay taxes to the Municipality. The proceedings of the last meeting shall be read to the Council, corrected when necessary, and signed by the person presiding for the time being. Upon the call of any member, the ayes and noes on any question shall be called and recorded in the journal.

No member of the governing body shall vote upon any ordinance, order, measure, resolution or proposition, in which he or she may be interested other than as a citizen of the Municipality.

The Mayor and Recorder shall have votes as members of the governing body, and, in case of tie, the presiding officer at the time shall cast the tie-breaking vote, unless he or she has previously voted. (Code 8-9-2)

10. The Council shall be vested with the powers, authority and duties as provided by the Code of the State of West Virginia.

11. To carry into effect these enumerated powers and all others conferred upon the said City 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, by-laws and ordinances not contrary to the Constitution and laws of this State, and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment for such terms as may be provided by law, under the judgment and order of the Mayor of said City, or the person lawfully exercising the powers of a municipal judge.

12. (Reserved)

13. (Reserved)

14. (Reserved)

15. (Reserved)

16. The Mayor shall be the chief executive officer of said City; shall take care that the by-laws, ordinances and orders of the Council are faithfully executed; shall see that peace and good order are preserved, and that persons and property are protected in the City, and may appoint special police officers for that purpose when deemed to be necessary by the Mayor; shall receive a compensation for his services, to be fixed by the Council, which shall not be increased or diminished for the term for which he or she was elected.

17. The Recorder shall keep a journal of the proceedings of the Council and have charge of and preserve the records of the City, and shall receive a compensation to be fixed by the Council, which shall not be increased or diminished for the term for which he or she was elected.

18. All moneys belonging to said City shall be paid over to the Treasurer, who shall pay out the same upon the order of the Mayor countersigned by the Recorder, and not otherwise.

19. (Reserved)

20. All rights, privileges and properties of the said City heretofore acquired by any act now in force, shall continue and remain vested in said City by this Charter. All provisions of the Charter of 1867 that are inconsistent with the provisions of this Charter are rescinded.
(2-25-03)

CERTIFICATION

Certified a true copy of the Amended Charter of the City of Ripley.

Dated: January 23, 2007.

William E. Casto

Recorder, City of Ripley

[SEAL]

CODIFIED ORDINANCES OF RIPLEY

PART ONE - ADMINISTRATIVE CODE

CODIFIED ORDINANCES OF RIPLEY

PART ONE - ADMINISTRATIVE CODE

CHAPTER ONE - General Provisions

ARTICLE 101
Codified Ordinances

CROSS REFERENCES
See sectional histories for similar State law
Maximum penalty permitted - see W. Va. Code 8-11-1, 8-12-5(57)
Authority to impose penalties - see W. Va. Code 8-11-1, 8-12-2(11)
Codification of ordinances - see W. Va. Code 8-11-4(b)

101.01 DESIGNATION; CITATION; HEADINGS.

(a) All ordinances of a permanent and general nature of the Municipality as revised, recodified, rearranged, renumbered and consolidated into component codes, chapters, articles and sections shall be known and designated as the Codified Ordinances of Ripley, West Virginia, for which designation "Codified Ordinances" may be substituted. Code, chapter, article and section headings do not constitute any part of the law as contained in the Codified Ordinances.

(b) All references to codes, chapters, articles and sections are to such components of the Codified Ordinances unless otherwise specified. Any component code may be referred to and cited by its name, such as the "Traffic Code". Sections may be referred to and cited by the designation "Section" followed by the number, such as "Section 101.01".

101.02 GENERAL DEFINITIONS.

As used in the Codified Ordinances, unless otherwise expressly provided or the context otherwise requires:

(a) Council means the legislative authority of the Municipality.

(b) County means Jackson County, West Virginia.

(c) Land or lands and real estate or real property include lands, tenements and hereditaments, and all rights thereto and interests therein except chattel interests.

(d) Laws of the State includes the Constitution of the State and the Constitution of the United States, and treaties and laws made in pursuance thereof. (WVaC 2-2-10)

(e) Municipality or City means the City of Ripley, West Virginia.

(f) Offense includes every act or omission for which a fine, forfeiture or punishment is imposed by law. (WVaC 2-2-10)

(g) Owner, when applied to property, includes any part owner, joint owner or tenant in common of the whole or part of such property.

(h) Person or whoever includes corporations, societies, associations and partnerships.

(i) Personal estate or personal property includes goods, chattels, real and personal, money, credits, investments and the evidences thereof.

(j) Preceding, succeeding or following used in reference to any section or sections of an article means next preceding, next succeeding or next following that in which such reference is made. (WVaC 2-2-10)

(k) Premises, as applied to property, includes land and building.

(l) Property or estate embraces both real and personal estate. (WVaC 2-2-10)

(m) Public place includes any street, sidewalk, park, cemetery, school yard, body of water or watercourse, public conveyance or any other place for the sale of merchandise, public accommodation or amusement.

(n) Registered mail includes certified mail.

(o) State means the State of West Virginia or any department, division, commission, board, educational or other institution of the State.

(p) Street includes alleys, avenues, boulevards, lanes, roads, highways, viaducts and all other public thoroughfares within the Municipality.

(q) Tenant or occupant, as applied to premises, includes any person holding a written or oral lease, or who actually occupies the whole or any part of such premises alone or with others.

(r) Written or in writing includes any representation of words, letters or figures, whether by printing, engraving, writing or otherwise. But when the signature of any person is required, it must be in his own proper handwriting, or his mark, attested, proved or acknowledged. (WVaC 2-2-10)

101.03 RULES OF CONSTRUCTION.

(a) General Rule. All words and phrases shall be construed and understood according to the common and approved usage of the language, but technical words and phrases and such others as may have acquired a peculiar and appropriate meaning in the law shall be construed and understood according to such peculiar and appropriate meaning.

(b) Gender and Plural. A word importing the singular number only may be applied to several persons or things, as well as to one person or thing; a word importing the plural number only may be applied to one person or thing as well as to several; and a word importing the masculine gender only may be applied to females as well as males.
(WVaC 2-2-10)

(c) Computation of Time. The time within which an act is to be done shall be computed by excluding the first day and including the last, or if the last be a Saturday, Sunday or legal holiday it shall also be excluded.
(WVaC 2-2-3)

(d) Joint Authority. Words purporting to give a joint authority to three or more persons confer such authority upon a majority of them, and not upon any less number. (WVaC 2-2-10)

(e) Exceptions. The rules of construction shall not apply to any law which contains any express provision excluding such construction, or when the subject matter or context of such law may be repugnant thereto.

101.04 REPEAL OF REPEALING ACT; EFFECT OF REPEAL.

(a) When a law which has repealed another is itself repealed, the former law shall not be revived without express words for that purpose.
(WVaC 2-2-9)

(b) The repeal of a law, or its expiration by virtue of any provision contained therein, shall not affect any offense committed, or penalty or punishment incurred, before the repeal took effect or the law expired, save only that the proceedings thereafter shall conform as far as practicable to the laws in force at the time such proceedings take place, unless otherwise specially provided; and that if any penalty or punishment be mitigated by the new law, such new law may, with the consent of the part affected thereby, be applied to any judgment pronounced after it has taken effect. (WVaC 2-2-8)

(c) The repeal by any provision of the Codified Ordinances of an ordinance validating previous acts, contracts or transactions shall not affect the validity of such acts, contracts or transactions, but the same shall remain as valid as if there had been no such repeal, but no further.
(WVaC 2-2-11)

101.05 CONSTRUCTION OF SECTION REFERENCES.

When reference is made to any section or group of sections of the Codified Ordinances, such reference shall extend to and include any amendment of or

supplement to the section or group of sections so referred to or any section or sections hereafter enacted in lieu thereof; and unless otherwise provided, whenever a reference to a section or group sections is made in any amendment or supplement to any section of the Codified Ordinances hereafter enacted, such reference shall be deemed to refer to the section or sections as the same shall then stand or as thereafter amended.

Whenever in a penalty section reference is made to a violation of a section or an inclusive group of sections, such reference shall be construed to mean a violation of any provision of the section or sections included in such reference.

References in the Codified Ordinances to action taken or authorized under designated sections of the Codified Ordinances include, in every case, action taken or authorized under the applicable legislative provision which is superseded by the Codified Ordinances.

If a section refers to a series of numbers or letters, the first and the last number or letters in the series are deemed to be included.

101.06 ACTS BY AGENT OR DEPUTY.

When a section requires that an act be done by an officer or person, it shall be sufficient if it be done by his agent or deputy, unless it be such as cannot lawfully be done by deputation. (WVaC 2-2-5)

101.07 CONFLICTING PROVISIONS.

If the provisions of different codes, articles or sections of the Codified Ordinances conflict with or contravene each other, the provisions bearing the latest passage date shall prevail. If the conflicting provisions bear the same passage date, the conflict shall be construed so as to be consistent with the meaning or legal effect of the questions of the subject matter taken as a whole.

101.08 SEPARABILITY.

Each section of the Codified Ordinances and every part of each section is an independent section and part of a section, and the holding of any section or a part thereof to be unconstitutional, void or ineffective for any cause does not affect the validity or constitutionality of any other section or part thereof.

101.99 GENERAL PENALTY.

Whenever, in the Codified Ordinances or in any ordinance of the Municipality, any act is prohibited or is made or declared to be unlawful or an offense, or whenever the doing of any act is required or the failure to do any act is declared to be unlawful, where no specific penalty is otherwise provided, whoever violates any such provision shall be fined not more than five hundred dollars ($500.00) or imprisoned not more than thirty days, or both. Each day any such violation continues shall constitute a separate offense.

ARTICLE 103
Elections

CROSS REFERENCES

Municipal elections - see W.Va. Code 3-1-2a
Municipal voting precincts - see W. Va. Code 3-1-6
Municipal precinct registration records - see W. Va. Code 3-1-27
Absentee voting in municipal elections - see W. Va. Code 3-3-13
Integration of municipal elections with systems of permanent registration - see W. Va. Code 8-5-13
Special elections - see W. Va. Code 8-5-15a

103.01 ELECTION OFFICIAL.

The chief election official of the City shall be the City Recorder who shall perform such duties as required by ordinance and by West Virginia Code Chapter 3.

103.02 VOTING BY ABSENTEES.

West Virginia Code Article 3-3 is hereby adopted for absentee voting in City elections.

103.03 ELECTIONS DATES; NONPARTISANSHIP.

The regular elections of the City of Ripley for the office of Mayor, Recorder and Council of the City shall be held biennially in the odd numbered years on the second Tuesday in the month of June. The elections shall be nonpartisan.
(1960 Code 3-101)

103.04 PERSONS ENTITLED TO VOTE.

All persons who are residents of the City and who have registered to vote with the Clerk of the County Court, at least thirty days next preceding the election shall be eligible to vote in any City elections; but if the 30th days falls on a Saturday, Sunday or legal holiday, then the next day which is not a Saturday, Sunday or legal holiday will be the last day of registration; however, no person shall be entitled to vote who is under the age of eighteen years or of unsound mind, or who is under conviction of treason, a felony or bribery in an election, or who will not have been a resident of the City the entire thirty days immediately preceding the election. Although the voter may be away from the Municipality during those days, on business or staying elsewhere, he or she must not have moved away with no intention of returning. If a voter moves from one precinct to another within the Municipality within the thirty day period, he or she may vote, for that election only, in the former precinct.
(1960 Code 3-102)

103.05 VOTING PRECINCTS.

Voting precincts for the City shall be those precincts established by the County Court of Jackson County for general elections and the voters of the City shall vote at the precincts in which they reside.
(1960 Code 3-104)

103.06 ELECTION ROOMS AND BOOTHS.

Council shall before each election secure in each voting precinct in the City, a suitable room or building for the holding of the election. Each such voting place shall be equipped with a sufficient number of booths, or compartments containing a table, counter or shelf with proper supplies for preparing ballots. The number of booths or compartments shall not be less than two nor more than five. The booths shall be so arranged that the voter may prepare his ballot therein secure from the observation of others.
(1960 Code 3-105)

103.07 CANDIDATE'S CERTIFICATE OF ANNOUNCEMENT.

Any person desiring to be a candidate for the office of Mayor, Recorder or Councilman/Councilwoman or any other elective office in the City shall file with the Recorder of the City a notarized written statement of his or her own intention to be a candidate not sooner than the third Tuesday in the month of February immediately preceding such election nor later than the third Friday in March preceding such election. The form for filing shall be as follows and shall be furnished to any applicant by the Recorder.

CANDIDATE'S CERTIFICATE OF ANNOUNCEMENT

I,_____,
(Print name as you desire it to appear on ballot)

(_____)hereby certify that I am a candidate for the election for the
(Legal Name)
office of_____of the City of Ripley, and desire my name printed on the official ballot to
be voted at the municipal election to be held on the_____day of
_____19_; that I am a legally qualified voter of the City of Ripley, State of West Virginia; will have lived and resided in the City of Ripley for a period of thirty days prior to said election; that my residence address is number_____of_____Street/Avenue in the City of Ripley West Virginia 25271 in Jackson County in said State; that I am eligible to hold the said office; that I have or will have attained the age of eighteen (18) years prior to said election; that I am a candidate for said office in good faith. I understand that if I knowingly provide false information on this certificate, I can be found guilty of an offense and shall be punished as set forth in West Virginia Code 3-9-34. (Fine $1,000.00 and 1 year in jail).

I do hereby further acknowledge that I have been advised and informed that there will be a drawing on the _____day of April, 19_, at which the position of my name on the election ballot will be determined. The drawing will be held at____.m. in the _____room or office at the Ripley Municipal Building. If I fail to appear personally for the drawing, my position on the ballot will be drawn by the Recorder or the Recorder's designated representative.

Signature of Candidate
Telephone Number

STATE OF WEST VIRGINIA
COUNTY OF JACKSON,

Taken, subscribed and sworn to before me this _____day of
_____, 19___. by the said_____.

Notary Public

My Commission expires:

(1960 Code 3-106)

103.08 FILING FEES.

Filing fees shall be as follows:

City Council member	$15.00	
Recorder		25.00
Mayor	40.00	

All filing fees are nonrefundable.
(1960 Code 3-106.1)

103.09 WITHDRAWAL BY CANDIDATE.

A candidate who has filed a certificate of announcement and wishes to withdraw and decline to stand as a candidate for the office shall file a signed and notarized statement of withdrawal with the Recorder not later than the third Tuesday following the close of candidate filing. No candidate who files a statement of withdrawal after that time may have his or her name removed from the ballot. The ballot commissioners may, however, remove the name of a candidate who dies before the ballots are printed. For candidates who die after the ballots are printed, the Recorder shall provide notice of such fact on the list of candidates published in the newspapers as required by Section 103.12.
(1960 Code 3-106.2)

103.10 BALLOT COMMISSIONERS.

In the City, the Recorder and two persons appointed by Council shall constitute a Board of Ballot Commissioners, of which board the Recorder shall be chairman. Ballot Commissioners shall be appointed at a regular meeting of Council during the month of January in each year in which a municipal election is to be held for a term of two years beginning on the first day of February next ensuing. They shall perform the duties of Ballot Commissioners at all regular and special municipal elections held during their terms of office. A vacancy in the office of ballot commissioner shall be filled in the same manner as an original appointment.
(1960 Code 3-107)

103.11 DUTIES OF BALLOT COMMISSIONERS.

(a) The Board of Ballot Commissioner shall provide cards of general information and cards of instruction for voters in preparing their ballots, and shall furnish such cards to the Commissioners of Election at the time they deliver the ballots for each precinct. The Commissioners of Election shall post one instruction card in each voting booth giving instructions to the voters on how to prepare the ballots for deposit in the ballot boxes and how to obtain a new ballot in place of one accidentally spoiled. The Commissioners of Election shall post one or more other cards of general information at places inside and outside of the voting place where voters pass or wait to vote.

The Ballot Commissioners shall also cause to be printed, on a different color paper than the official ballot, ten or more copies of the ballots provided for each voting place, which shall be designated sample ballots, and shall be furnished and posted with the cards of general information at each voting place.

(b) It shall be the duty of the Board of Ballot Commissioners to provide printed ballots for every municipal election of officers and cause to be printed on such ballots the name of every candidate who has filed a certificate of candidacy with the Recorder indicating on its face that the said candidate is eligible to serve in the office for which he or she has filed. The Ballot Commissioners, in preparation of such ballots, shall cause to be printed thereon, in plainly worded language, the number of candidates to be selected for each office.

Official ballots shall be printed in black ink upon number two, white book paper. Official ballots shall be printed in a quantity not more than one and one-fifth times the number of registered voters in the City.

The Board of Ballot Commissioners shall have official ballots printed at least forty-two days before the date of the municipal election. The printing of the ballots, and all other printing caused to be done by the Board of Ballot Commissioners, shall be contracted for with the lowest responsible bidder. Ballots other than these caused to be printed by the Board of Ballot Commissioners shall not be cast, received or counted in any municipal election.

Official ballots contain the names of candidates listed beneath the heading of each respective office. The arrangement of names for all offices shall be determined by lot according to the following:

(1) On the fourth Tuesday following the close of the candidate filing period, beginning at the hour designated by the Recorder, a drawing by lot shall be conducted in the Ripley Municipal Building in a room or office designated by the Recorder. Notice of the drawing shall be given on the form for the certificate of announcement, and no further notice shall be required. The Recorder shall superintend and conduct the drawing.

(2) The position of each candidate within each office division shall be determined by the position drawn for that candidate individually. Vacant positions where fewer candidates than officers to be elected have filed, shall appear following the names of candidates for office within each office division.

Each package of ballots shall be sealed with wax, and plainly marked with the number of ballots therein, the name of the precinct and the number of the voting place, to which it is intended to be sent.
(1960 Code 107-1, 107-2)

103.12 NEWSPAPER PUBLICATION OF CANDIDATES.

The Recorder at least ten days before an election to fill any public office of the City, cause to be published in every newspaper published within the City the names of all persons who are candidates for the office to be filled at the election who have filed with him as required by this Code. The Recorder shall make two publications in such newspaper, the last of which shall be at the last publication date thereof prior to the day on which the election shall be held. The names of the candidates shall be arranged in the order and in the form that they will appear on the ballots to be used at the election.
(1960 Code 3-108)

103.13 ELECTION COMMISSIONERS.

Council shall at a regular or special meeting of Council at least fifteen days prior to the date on which the election shall be held appoint three election commissioners, two poll clerks and one alternate to conduct the election in each precinct in the City. The persons so appointed shall be notified of their appointment by the Recorder by mail which notice shall include a form for such person to return to the Recorder indicating whether they will serve or not. If any person fails to return such form within five days or declines to serve it shall be the duty of Council to promptly proceed to fill the vacancies. If any person appointed shall fail to appear at the voting place at the hour set for opening thereof, the remaining commissioner or commissioners shall elect another commissioner or clerk to act in their stead.
(1960 Code 3-109; 7-1-97)

103.14 QUALIFICATIONS FOR COMMISSIONER OR CLERK.

No person shall be eligible for appointment as a member or clerk of any election board who is not a qualified voter in that precinct, or who is a candidate to be voted for at the ensuing election, or who is addicted to drunkenness or is not of fit character and standing, or who has in his employment or under his control ten or more employees who are voters entitled to vote in that precinct or who has served or acted in the capacity of deputy sheriff within six months prior to the date of holding any such election.
(1960 Code 3-110)

103.15 OATHS.

(a) Each Election Commissioner appointed or selected shall before entering upon the discharge of his duties take and subscribe to the following oath:

COMMISSIONER'S OATH

STATE OF WEST VIRGINIA
COUNTY OF JACKSON, to-wit:

I, _____, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia; that I will not knowingly permit any person to vote who is not qualified, and will not knowingly refuse the vote of any qualified voter or cause any delay to any person offering to vote further than is necessary to procure satisfactory information of the qualification of such person as a voter; that I have been a resident of the State of West Virginia and a citizen and bonafide resident of the City of Ripley for thirty (30) days next preceding this date; that I will not disclose nor communicate to any person how any voter has voted at such election or how any ballot has been folded, marked, printed or stamped; that I have nothing of value bet or wagered on said election, and I am not a candidate at this election; that I have not received any

promise, agreement, understanding or arrangement that I shall receive appointment as a deputy or employee, or any sum of money or any portion of the salary, fees or emoluments of any office for which any candidate is to be voted for at such election, should such candidate be elected to such office. So help me God.

Subscribed and sworn to before me this the____day of _____, 19____.

My commission expires:
(1960 Code 3-111)

(b) Each poll clerk appointed or selected as heretofore set out shall before entering upon the discharge of his duties take and subscribe to the following oath:

POLL CLERK'S OATH

STATE OF WEST VIRGINIA,
COUNTY OF JACKSON, to-wit:

I,_____, do solemnly swear that I will faithfully and honestly discharge my duties as clerk of the election now about to be held in precinct No._____in the City of Ripley, Jackson County, West Virginia; and that I will not disclose or communicate to any person how any elector voted, or how any ballot was folded, marked, printed or stamped; that I have nothing of value bet or wagered on said election, and I am not a candidate at this election; that I have not received any promise, agreement, understanding or arrangement that I shall receive appointment as a deputy or employee, or any sum of money or any portion of the salary, fees or emoluments of any office for which any candidate is to be voted for at such election, should such candidate be elected to such office. So help me God.

Subscribed and sworn to before me this the_____day of _____, 19___.

My commission expires:
(1960 Code 3-112)

103.16 SPECIAL MESSENGERS.

In case the Commissioner of Elections designated by the Recorder pursuant to Section 103.17 fails to appear at the office of the Recorder by the close of the third day prior to said election and receive the ballots, ballot boxes, poll books, registration records and forms and other supplies necessary for the conducting of the election, the Recorder shall on the day preceding said election dispatch, by special messenger, said ballots, ballot boxes, poll books, registration records, forms and other supplies necessary for the conducting of the election to one of said Commissioners hereinbefore appointed by Council.
(1960 Code 3-113)

103.17 REGISTRATION RECORDS, BALLOTS AND ELECTION SUPPLIES.

(a) The Recorder shall, at least three days prior to every City election procure from the Clerk of the County Court the voting registration records for each municipal precinct necessary for conducting the election.

(b) The Recorder shall designate one or more of the Commissioners of Election for the precincts to attend at the office of the Recorder at lest three days before the election to receive the ballots, ballot boxes, poll books, registration records and forms and other supplies necessary for the conducting of the election, which ballots shall be delivered to the Commissioners in sealed packages.

(c) It shall be the duty of the Election Commissioners to receive such records, ballots and supplies and deliver the same with the seal of all sealed packages unbroken at the election precinct in time to open the election. The Recorder shall take a receipt for such material and shall file it in his office.

(d) If, by any accident or casualty, the ballots or ballot boxes delivered to a Commissioner of Elections, or to any messenger, shall be lost or destroyed, it shall be the duty of such commissioner or messenger to report the loss forthwith to the Recorder, and make affidavit of the circumstances of the loss; whereupon such Recorder shall at once send a new supply by special messenger to said precinct.
(1960 Code 3-114)

103.18 ELIGIBILITY FOR OFFICE.

To be eligible for the office of Mayor, Recorder, Councilperson or any other elective office, a candidate must be a resident of the City for the entire thirty day period immediately preceding the election, and must be qualified to register to vote in the municipal election.
(1960 Code 3-121)

103.19 SPECIAL ELECTIONS.

A special municipal election is hereby authorized and required upon any question to issue lawfully deemed to necessitate by the Common Council.

The provisions of these Codified Ordinances and the general law, where applicable, shall govern any such special municipal election. Such special municipal election shall be held, superintended and conducted, and the results hereof ascertained, certified, returned and canvassed in the same manner, and by the same individuals as elections for municipal officers.
(W.Va. Code 8-5-15a; 5-4-99)

ARTICLE 105
City Government Ethics

CROSS REFERENCES

Governmental Ethics Act - see W. Va. Code Ch. 6B
Conflict of interest - see W.Va. Code 8-5-19

105.01 PURPOSES AND DEFINITIONS.

The West Virginia Legislature has, in 1989, enacted the West Virginia Governmental Ethics Act, the provisions of which have been codified in Chapter 6B of the West Virginia Code, as amended. Council hereby finds and declares that the purposes, definitions and administrative provisions of the West Virginia Governmental Ethics Act have been set forth and applied in a reasonable, appropriate and necessary manner to elected and appointed municipal officials and employees, whether full or part time, who derive a salary, wages or other direct remuneration from the City. The purposes, definitions and administrative provisions contained in West Virginia Code 6B-1-1 to 6B-1-5 are hereby adopted, affirmed and incorporated by reference as those of this City Government Ethics Ordinance of the City of Ripley.
(1960 Code 3-1001)

105.02 ETHICAL STANDARDS FOR CITY OFFICALS AND EMPLOYEES.

The City does hereby expressly adopt and incorporate by reference herein ethical standards for officials and employees of the City which are identical to those set forth in West Virginia Code 6B-2-5, as amended. These standards shall be applied in the same manner and shall be subject to the same exceptions and limitations as set forth in the ethical standards for public officials and employees, which have been codified into state law as hereinabove described.
(1960 Code 3-1002)

105.03 INAPPLICABLE SECTIONS OF STATE ACT.

The West Virginia Legislature has provided by the terms and language of the West Virginia Governmental Ethics Act that municipalities through their governing bodies may determine that certain provisions of the Act are inapplicable or unduly burdensome for the City to administer, and therefore expressly not adopted or applied to the City. In accordance with the authority granted by state law, Council does hereby expressly opt not to include and does not adopt as applicable to the City, its officials or employees, the provisions and requirements relating to lobbyists and to financial disclosure as set forth in West Virginia Code 6B-2-6 and

6B-2-7, as amended.
(1960 Code 3-1003)

105.04 APPLICABLE PROVISIONS AND AMENDMENTS.

The sections of the West Virginia Governmental Ethics Act which are expressly affirmed, adopted, incorporated by reference and made applicable to the City, its officials and employees by the terms of this article have been copied, are attached hereto and labeled as "Ethics Exhibit A." Any amendment to the statutory provisions of the State of West Virginia which are adopted hereby and incorporated by reference into the City Codified Ordinances, unless any such amendment of state law is not made mandatorily applicable to the City, its officials or employees. No provision of this section shall preclude Council from exercising any option provided for by state law with respect to the adoption or nonadoption of any amendment of the provisions of state law which are incorporated by reference in their current form herein.
(1960 Code 3-1004)

CHAPTER THREE - Legislative
Art. 115. Council.

ARTICLE 115
Council

CROSS REFERENCES
Open meeting law - see W. Va. Code Art. 6-9A
Composition - see W. Va. Code 8-5-7
Oath - see W. Va. Code 8-5-8
Term - see W. Va. Code 8-5-9
Vacancies - see W. Va. Code 8-5-10
Proceedings - see W. Va. Code Art. 8-9
General powers - see W. Va. Code Art. 8-12
Adoption of rules - see W. Va. Code 8-12-5(45)
Extraterritorial exercise of powers - see W. Va. Code 8-12-19

115.01 GOVERNING BODY.

(a) The governing body of the City shall be the Common Council of the City of Ripley and may be referred to as the "Common Council."

(b) Council shall consist of a Mayor, Recorder and five Councilmembers. (1960 Code 3-201, 3-202)

(c) The term of office for the Mayor and members of the Common Council shall be a term of four (4) years. (9-2-03)

115.02 MEETINGS.

All meetings of the Common Council of the City shall be open to the public. The purpose of this section is to promulgate rules by which the time and place of all regularly scheduled meetings, and the time, place and purpose of all special meetings, are made available, in advance, to the public news media, except in the event of an emergency requiring immediate action.

(a) Regularly scheduled meetings. The regular meetings of Council shall be held on the first and third Tuesday in each month in Council Chambers at City Hall at 7:00 p.m., which meetings shall be adjourned from time to time if the need therefor arises. Notice thereof shall be published in the Jackson Herald, or other newspaper of general circulation in the Ripley area, during the week prior to each regularly scheduled meeting. (9-15-98; 2-25-03)

(b) Special Meetings. The special meetings of Council shall be convened subject to the requirements of the West Virginia Code and ordinances relating to special meetings.

The time, place and purpose of any such special meeting shall be:

(1) Posted on the front door of the Ripley Municipal Building in advance of such special meeting;

(2) Sent by facsimile transmission to the Jackson Herald; and

(3) Sent by facsimile transmission to a radio station providing service in the Ripley, West Virginia area.

Advance notification shall be given in a manner that provides as much notice of the date and time of such special meeting as may be reasonably practicable. (9-15-98.)

(c) The Mayor, or in his absence, the Recorder or any Councilmember shall have the authority to call a special meeting of Council upon the giving of at least forty-eight hours advance notice thereof in writing addressed and mailed to the last known address of the other members of Council. Such notice shall state clearly the purpose of and matters to be considered at such special meeting and no other matters shall be considered. The notice shall also set forth the date, time and place of the holding of such meeting. (1960 Code 3-203, 3-204)

115.03 COUNCIL PROCEEDINGS .

(a) Council shall be presided over by the Mayor or in his absence the Recorder. In the absence of the Mayor and Recorder, the Councilmembers shall select from among themselves by a majority vote one Councilmember who shall preside over the meeting.

(b) The Mayor and Recorder shall have votes as members of Council. The Councilmembers shall also have one vote each on each question passed upon by Council. In the event of a tie, the presiding officer shall have the deciding vote if he has not previously voted.

(c) A quorum of Council shall consist of a majority of the members thereof, however, such majority must consist of at least three councilmembers other than the Mayor and Recorder.

(d) The presiding officer shall take the chair at the appointed hour and as soon as a quorum is present, call the meeting to order, and preserve order during the meeting.

(e) The business before Council shall be taken up in the following order:

(1) Reading of minutes.
(2) Petitions and request of citizens.
(3) Accounts.
(4) Reports of committees.
(5) Ordinances.
(6) Prior business and other business.

(f) The minutes of the previous meeting shall be read, corrected if need be and signed by the Mayor and Recorder.

(g) The ordinary rules of parlimentary practice shall govern the proceedings before Council when not contrary to law.

(h) All points of order shall be decided by the presiding officer, subject to an appeal to Council upon demand of two or more members.

(i) The motions shall be reduced to writing when demanded by the Mayor or any two councilmembers.

(j) The following standing committees shall be appointed by the Mayor:
(1) Committee on Ordinances, Petitions and Remonstrations.
(2) Committee on Streets, Alleys and Sidewalks.
(3) Committee on Traffic and Safety.
(4) Committee on Water and Sewer, Health and Welfare.
(5) Committee on Accounts and Finances.
(6) Committee on Fire Prevention and Parking Meters.
(7) Committee on Recreation.
(8) Committee on Sister Cities.
(9) Committee on Employee Interviews. (Ord. 5-4-99)

(k) Council shall be the legislative body for the City and as such shall exercise all powers conferred upon it under the laws of the State.
(1960 Code 3-205 to 3-215)

(l) In the event that the Mayor shall be determined to be temporarily incapacitated by a majority vote of the Common Council, the Common Council shall, by resolution, appoint the Recorder to perform all acts and duties which the Mayor is obligated and authorized to perform by law, including but not limited to the obligations, acts and duties of the Mayor as set forth in the West Virginia Code, in the Charter of the City of Ripley, in the Codified Ordinances of the City of Ripley and in the resolutions passed by the Common Council, for as long as said temporary incapacity shall exist. When, by a majority vote, the Common Council has determined that the Mayor is no longer subject to said temporary incapacity, the Common Council shall, by resolution, rescind said appointment.

Notwithstanding the preceding paragraph, if the Mayor shall, in writing, advise the Common Council that he is not incapacitated and is capable of fulfilling his duties as Mayor, any appointment of the Recorder to temporarily fulfill the duties of Mayor which has been previously made by the Common Council shall be promptly rescinded and declared null and void.
(3-18-03)

115.04 COMPENSATION.

(a) Council shall by ordinance set the salary of the Mayor, Recorder, Councilmembers and City employees. The salary of the Mayor, Recorder and Councilmembers shall not be diminished, nor shall it be increased during their term of office.

(b) Each Council member shall receive one-hundred dollars ($100.00) for each regular meeting of Council, and fifty dollars ($50.00) for each special meeting of Council which he shall have been in actual attendance. (1960 Code 3-216, 3-217; 5-21-96, 3-4-97)

115.05 ABSENCE FROM MEETINGS.

If any member of Council shall absent himself from three consecutive regular meetings of Council except that such absence be due to sickness of himself or family, he may, upon at least five days written notice be removed from office by Council.
(1960 Code 3-218)

115.06 CHARGES AGAINST OFFICER.

Charges against any officer of the Municipality appointed by the Mayor with consent of Council, shall be preferred in writing, verified and having been read, shall be laid upon the table until the next regular meeting or referred to a committee for investigation. The officer shall be given a copy of the written charges and at least five days notice of the time and place of the hearing thereon and an opportunity to present evidence before any action is taken by Council thereon, other than reference to a committee for investigation.
(1960 Code 3-219)

CHAPTER FIVE - Administrative

ARTICLE 121
Mayor

CROSS REFERENCES

Position established - see W.Va. Code 8-5-7
Oath - see W. Va. Code 8-5-8
Term - see W. Va. Code 8-5-9
Vacancy - see W. Va. Code 8-5-10
Voting rights - see W. Va. Code 8-9-2
Powers and duties generally - see W. Va. Code 8-10-1
Acting mayor - see W. Va. Code 8-10-3
Member of Sokolow Commission - see ADM. Art. 135
Chair of Sanitary Board - see ADM. 137.02

121.01 POWERS AND DUTIES.

(a) The Mayor shall be the chief executive officer of the City and as such shall supervise and coordinate the duties of all its employees and departments unless otherwise provided by ordinance or resolution of Council. (1960 Code 3-301)

(b) The Mayor shall exercise the following powers:

(1) Administrative duties.

A. The Mayor shall be the full-time chief executive officer of the City and shall accept no other regular employment or hold any other elected or appointed position that would require his/her absence during regular working hours.

B. The Mayor shall execute, sign and acknowledge all deeds and other writings which have been authorized and approved by Council.

C. The Mayor shall sign all warrants, vouchers or checks issued against the City Treasury.

(2) Legislative duties.

A. The Mayor shall be the presiding officer of all regular and special meetings of Council and shall exercise all powers conferred upon him as such under Article 115.

B. The Mayor shall, from time to time, recommend to the Council such measures as he may deem needful for the welfare of the City.

(1960 Code 3-302)

121.02 BOND.

The Mayor shall before entering upon the duties of his office give bond with good security in the penalty of not less than fifty thousand dollars ($50,000).
(1960 Code 3-303)

121.03 COMPENSATION.

(a) The compensation of the Mayor shall be fixed by ordinance of Council with the concurrence of a majority thereof, which salary shall neither be increased or diminished during the term of office to which the Mayor has been elected or appointed. The Mayor shall receive no fines or other compensation for the duties of his office as Mayor except the compensation fixed by Council pursuant to this section.
(1960 Code 3-304)

(b) The compensation of the Mayor shall be thirty thousand dollars ($30,000) a year in addition to his/her salary as chairman of the Sanitary Board.
(6-21-95, 4-6-99)

ARTICLE 123
Recorder

CROSS REFERENCES
Position established - see W.Va. Code 8-5-7
Oath - see W. Va. Code 8-5-8
Term - see W. Va. Code 8-5-9
Vacancy - see W. Va. Code 8-5-10
Voting rights - see W. Va. Code 8-9-2
Powers and duties generally - see W. Va. Code 8-10-3
Member of Sokolow Commission - see ADM. Art. 135

123.01 ADMINISTRATIVE DUTIES.

The Recorder shall be the official custodian of the seal and records of the City and shall keep the minutes of the meetings of Council. Official documents of the City shall be under the signature and seal of the Recorder.
(1960 Code 3-401)

123.02 LEGISLATIVE DUTIES.

The Recorder shall be a member of Council and shall have a vote on matters presented before Council. In the absence of the Mayor, the Recorder shall preside over Council.
(1960 Code 3-402)

123.03 BOND.

The Recorder shall, before entering upon the duties of his office, give bond with good security in the penalty of not less than fifty thousand dollars ($50,000).
(1960 Code 3-404)

123.04 COMPENSATION.

The salary of the Recorder shall be set by Council by ordinance and shall neither be increased nor diminished during the term of office to which he was elected or appointed.

The Recorder shall receive a salary in the amount of four thousand dollars ($4,000) for each fiscal year. (1960 Code 3-403, 3-405; 3-18-97)

ARTICLE 125
City Attorney

EDITOR'S NOTE: There are no sections in Article 125. This article has been established to provide a place for cross references and future legislation.

CROSS REFERENCES

Hiring special counsel - see W.Va. Code 8-10-1a
Notice of suit against municipality - see W. Va Code 8-12-2
Member of Police Commission - see ADM. 131.03

ARTICLE 133
Treasurer

CROSS REFERENCES
Supervision of public offices - see W. Va. Code Art. 6-9
Purchasing; competitive bidding - see W.Va. Code 8-12-10
Collection of moneys - see W. Va. Code 8-13-15 et seq.
Financial statements - see W. Va. Code 8-13-23
Accounting principles; funds - see W. Va. Code 8-13-17 et seq.

133.01 APPOINTMENT; DUTIES.

(a) Council shall appointment a Treasurer whose duty it shall be to keep the books and records of the City and to account for all money received and expended thereby.
(1960 Code 3-601)

"To keep the books and records of the City . . ." shall be interpreted to mean personnel records as well as the books and records presently kept by the Treasurer as a duty of his office.
(5-7-96)

(b) The Treasurer shall receive all funds payable to the City and deposit them in a bank located within the City and shall make no payments therefrom except as authorized by Council and upon the warrant of the Mayor and the Recorder.
(1960 Code 3-602)

133.02 BOND.

The Treasurer, before entering upon the discharge of the duties of the office of Treasurer, shall enter into a bond with good security in the penalty of not less than ten thousand dollars ($10,000).
(1960 Code 3-603)

133.03 COMPENSATION.

The Treasurer shall receive the annual salary of $25,000-$40,000 for each fiscal year effective January 1, 1999. The Treasurer's salary shall be paid from the City's General Revenue Fund and the Treasurer shall receive no compensation from any other City department, commission, agency or fund. (6-7-94; 4-6-99)

133.04 SPECIFIC RESPONSIBILITIES.

(a) Accounting Duties. The Treasurer shall advise, assist and inform the Mayor and Council on all financial, budget and record keeping matters, and shall be responsible for the following:

(1) Posting all receivable entries on books and computer system, except utility services;
(2) All accounts payable duties, except for the Sewer, Sokolow and Court Bond accounts;
(3) Serve as ex officio treasurer for the Park Commission and keep all financial records therefor;
(4) Monthly bank reconciliations for various City funds and accounts;
(5) Receive and review Municipal Bond Commission statements;
(6) Prepare and submit quarterly and annual Farmers Home Administration forms; and
(7) Make arrangements for the annual audit.

(b) Budget Duties. The Treasurer shall advise and assist in the preparation of the City's annual budget and shall be responsible for the following:

(1) Coal Severance Tax Fund budget;
(2) General Fund levy estimate;
(3) Monthly operating budgets for Water and Garbage Funds;
(4) Monthly budget printouts for various funds to department heads, Mayor and Council;
(5) Annual Public Service Commission report for the City's Water Fund;
(6) City's annual financial statement;
(7) Budget revision procedures;
(8) Communication with State Tax Department;
(9) Quarterly revenue and cost analysis of Water and Garbage Fund operations; and
(10) Spending analyses of General Fund, Coal Severance Tax Fund and Park Commission.

(c) Payroll Duties. The Treasurer shall prepare the payroll for all City departments and shall be responsible for:

(1) Monthly reports and payments to the Public Employees Retirement System;
(2) Federal tax withholding deposits for the City, Ripley Waterworks and Sewer and the Park Commission;
(3) W-2 and 1099 Forms;
(4) Quarterly employment security reports for the City and the Park Commission;
(5) Quarterly Workers' Compensation returns for City and the Park Commission;
(6) Workers' Compensation claim forms for the City and for employees.

(d) Taxation Duties. The Treasurer shall serve as the City's Superintendent of Taxation and shall be responsible for the collection, deposit and administration of the following:

(1) The Treasurer shall reconcile the Sheriff's settlement with monthly tax collections;
(2) Ad valorem taxes;
(3) Wine and liquor taxes;
(4) Public utility taxes;
(5) Coal severance tax proceeds;
(6) Miscellaneous general revenue;
(7) Public auction proceeds;
(8) Royalties;
(9) Consumer sales tax for Park Commission; and
(10) Supervise the collection and distribution of hotel-motel tax funds.

(e) Election Duties. The Treasurer, also designated in some Code provisions as the City Clerk, shall advise and assist the Recorder in all aspects of the conducting of City elections, including the following:

(1) Supervising the procedure for absentee voting; and
(2) Securing poll workers, ballot commissioners and election commissioners, subject to appointment and approval by the Mayor and Council.

(f) Purchasing Duties. The Treasurer is hereby designated as purchasing agent for the City, and shall review, approve and report to the Mayor and Council on a monthly basis regarding all purchase orders issued by fund and department.

The Treasurer shall enter and maintain computerized records of all purchase orders. A limit of not more than five hundred dollars ($500.00) shall be allowed in purchases without prior notice to the Treasurer, but no such prior notice will be required for the issuance of a purchase order in case of emergency.

(g) Other Duties. The Treasurer shall perform all duties prescribed for the Treasurer, City Clerk or Superintendent of Taxation pursuant to these Codified Ordinances and such other duties and responsibilities as the Mayor, with the approval of City Council, may from time to time prescribe by ordinance or resolution. (6-7-94)

CERTIFICATION

Certified a true copy of selected Administrative Ordinances duly enacted by the Council of the City of Ripley.

Dated: January 23, 2007.

William E. Casto

Recorder, City of Ripley

[SEAL]

OATH OF OFFICE

I, **OLLIE M. HARVEY,** do solemnly swear and affirm that I will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Ripley, West Virginia, and that I will faithfully discharge the duties of MAYOR of the City of Ripley, State of West Virginia, to the best of my skill and judgment.

Ollie M. Harvey

OLLIE M. HARVEY

Taken, subscribed and sworn to before me, the undersigned authority, on this the 1st day of July, 2003.

Mark E. Parsons, II

Mark E. Parsons, II, Pastor
Ritchie County Circuit

Thomas E. Armstead

Notary Public

8-16-2005

My commission expires:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
THOMAS E. ARMSTEAD
CITY OF RIPLEY
113 S. CHURCH ST.
RIPLEY, WV 25271
My Commission Expires August 16, 2005

OATH OF OFFICE

I, **WILLIAM CASTO,** do solemnly swear and affirm that I will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Ripley, West Virginia, and that I will faithfully discharge the duties of RECORDER of the City of Ripley, State of West Virginia, to the best of my skill and judgment.

William Casto
WILLIAM CASTO

Taken, subscribed and sworn to before me, the undersigned authority, on this the 1st day of July, 2003.

Mark E. Parsons II
Mark E. Parsons, II, Pastor
Ritchie County Circuit

Thomas E. Armstead
Notary Public

8-16-2005
My commission expires:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
THOMAS E. ARMSTEAD
CITY OF RIPLEY
113 S. CHURCH ST.
RIPLEY, WV 25271
My Commission Expires August 16, 2005

OATH OF OFFICE

We, Curtis Anderson, Victor Yoak, David Brubaker, Don Henthorne and Russ Vannoy, do each solemnly swear and affirm that we will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Ripley, West Virginia, and that we each will faithfully discharge the duties as a Member of the Common Council of the City of Ripley, State of West Virginia, to the best of our skill and judgment.

Curtis Anderson
Victor Yoak
David Brubaker
Don Henthorne
Russ Vannoy

Taken, subscribed and sworn to before me, the undersigned authority, on this the 1st day of July, 2003

Mark E. Parsons, II
Mark E. Parsons, II, Pastor
Ritchie County Circuit

Thomas E. Armstead
Notary Public

8/16/2005
My commission expires:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
THOMAS E. ARMSTEAD
CITY OF RIPLEY
113 S. CHURCH ST.
RIPLEY, WV 25271
My Commission Expires August 16, 2005

CERTIFICATION

Certified a true copy of the Oaths of Office of the Mayor, Recorder and Council Members of the City of Ripley.

Dated: January 23, 2007.

William E. Castro

Recorder, City of Ripley

[SEAL]

AN AMENDMENT OF THE COMMON COUNCIL OF THE CITY OF RIPLEY TO AN ORDINANCE REGARDING WATER SERVICE RATES

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF RIPLEY WEST VIRGINIA, that Article 935.10 *Water Rates*, is hereby amended as follows:

The following water rates filed with and approved by the West Virginia Public Service Commission shall apply within the City:

APPLICABILITY

Applicability in the entire territory served by the water system for the City.

AVAILABILITY

Available for general domestic, commercial and industrial service

(a) RATES

GALLONS USED PER MONTH	PER 1,000 GALLONS
First 2,000	$5.83
Next 9,000	$4.15
Next 60,000	$3.13
Over 71,000	$2.42

(B) MINIMUM CHARGE

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

Inch Meter	Per Month
5/8	$ 11.66
3/4	17.49
1	23.32
1-1/2	58.30
2	93.28
3	174.90
4	291.50
6	583.00
8	932.80

The aforementioned rates have been deemed necessary by council to pay for the repair, maintenance, operation and improvement to the waterworks system, including but not limited to replacement of existing deteriorated mains, addition of some new main, increase of pumping capacity, together thus restoring crumbling mains and increasing water volume and availability for present users and for development in growth areas, also to provide an adequate reserve fund and

depreciation fund as well as principal and interest upon all revenue bonds issued and future bonds to be issued.

Nothing contained in this Ordinance shall in any way be construed to affect or impair the validity of any ordinance passed by Council or the other provisions of this article. This amendment shall not go into effect until at least 45 days after final adoption by the Common Council.

The above amendments, if approved by the Public Service Commission, shall go into effect as of April 17, 2004.

DATE OF FIRST READING: January 20, 2004

DATE OF SECOND READING: Feb. 17, 2004

Ollie M. Harvey

Ollie Harvey, Mayor

William E. Casto

William Casto, Recorder

CHAPTER THREE - Utilities

ARTICLE 935
Water Regulations and Charges

CROSS REFERENCES

Power to regulate and collect charges - see W. Va. Code 8-12-5(32); Art. 8-19
Discontinuance for nonpayment - see W. Va. Code 8-19-13
Review by Public Service Commission - see W. Va. Code 24-2-4(b)
Deposit limitations - see W. Va. Code 24-3-8

935.01 WATER RATES.

The following water rates filed with and approved by the West Virginia Public Service Commission shall apply within the City:

The following shall be applicable, available and established as below set forth:

APPLICABILITY

Applicability in the entire territory served by the water system for the City.

AVAILABILITY

Available for general domestic, commercial and industrial service.

(a)

RATES

	Gallons Used Per Month	Per 1,000 Gallons
First	2,000	$3.76
Next	9,000	2.68
Next	60,000	2.02
All over	71,000	1.56

(b)
MINIMUM CHARGE

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

Inch Meter	Per Month
5/8	$ 7.52
3/4	11.28
1	18.78
1-1/2	37.56
2	60.10
3	112.68
4	187.80
6	375.60
8	600.96

The aforementioned rates have been deemed necessary by Council to pay for the repair, maintenance, operation and improvements to the waterworks system, including but not limited to replacement of existing deteriorated mains, addition of some new main, installation of two tank-reservoirs, increase of pumping capacity, together thus restoring crumbling mains and increasing water volume and availability for present users and for development in growth areas, also to provide an adequate reserve fund and depreciation fund as well as principal and interest upon all revenue bonds issued and the 1986 bonds to be issued.

Nothing contained in this ordinance shall in any way be construed to affect or impair the validity of any ordinance passed by Council or the other provisions of this article.
(1960 Code 6-201)

935.02 DELAYED PAYMENT PENALTY.

The above tariff is net. On all accounts not paid in full within twenty days of date of bill, ten percent (10%) will be added to the net amount shown.
(1960 Code 6-202.1)

935.03 DISCONTINUANCE OF SERVICE.

Service shall be discontinued only when necessary and in accordance with the policies and procedures as announced and published by the Public Service Commission of the State. (1960 Code 6-202.2)

935.04 CONNECTION CHARGE.

There shall be a charge for connection to the system of three hundred dollars ($300.00). (1960 Code 6-203)

935.05 RECONNECTION CHARGE.

A charge of twenty-five dollars ($25.00) will be charged for reconnection to the water service system. (3-6-01)

935.06 WATER TAP PERMIT REQUIRED.

No persons shall make a water tap or other connection to a City water line without first having secured permission of the City to do so and paying the water tapping fee therefor. (1960 Code 6-204)

935.07 WATER SHORTAGE EMERGENCY MEASURES.

In the event that Council should make a finding of fact that the City water supply is in imminent danger of being overtaxed or exhausted due to mechanical difficulties, drought or for any other reason, Council may:

(a) By resolution issue a notice of said finding by newspaper publication, posting of written notice and by radio and/or television announcement;

(b) By resolution and emergency order prohibiting certain nonessential uses of water, and such order shall be published, posted and announced as the above notice. Such order shall be enforced by the City Police Department as with any misdemenaor violation.
(1960 Code 6-205A)

935.08 CONFLICT OF LAWS.

Nothing contained in this article or in this Code shall in any way be construed to affect or impair the validity of any ordinance or resolutions previously passed by Council, issuing bonds secured by a mortgage on the water system and providing for the payment of the bonds by the revenue of the works, the intent of this article being only to supplement said ordinances or resolutions by providing the water rates to be charged and the restrictions and penalties herein imposed.
(1960 Code 6-206)

935.09 WATER METER SEAL.

The Mayor is authorized to direct the Superintendent of the City Water Department to affix a seal to each and every water meter attached to the system.

No unauthorized person shall tamper with or remove any seal attached or affixed by the City to a water meter.
(1960 Code 6-207)

935.10 METER DEPOSIT FEE.

On and after the effective date of this section as amended, each new customer receiving City services with respect to the rental property occupied by that customer shall pay a meter deposit fee in the amount of fifty dollars ($50.00). For the purposes of this section, the term "City services" means one or more of the following types of services provided by the City of Ripley: water, sewer, garbage and street maintenance.
(1960 Code 6-207.2)

935.99 PENALTY.

(a) Whoever violates Section 935.06 shall be fined not less than ten dollars ($10.00) and not more than one hundred dollars ($100.00).
(1960 Code 6-204)

(b) Whoever violates Section 935.07 shall be fined not more than one hundred dollars ($100.00) or imprisoned not more than thirty days, or both.
(1960 Code 6-205 A)

(c) Whoever violates Section 935.09 shall be fined not less than fifty dollars ($50.00) and not more than two hundred dollars ($200.00).
(1960 Code 6-207.1)

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Ripley on February 17, 2004.

Dated: January 23, 2007.

William E. Cristo

Recorder, City of Ripley

[SEAL]

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

Notice is hereby given that the city of Ripley Water Board, a public utility, has adopted by ordinance on January 20, 2004, a tariff containing increased rates, tolls and charges for furnishing water service to City of Ripley customers.

The proposed increased rates and charges will become effective on April 17, 2004 unless otherwise ordered by the Public Service Commission and will produce approximately Two Hundred Sixty Five Thousand Four Hundred Eighty Dollars ($256,480) annually in additional revenue, an increase of approximately fifty-five percent (55)%.

APPLICABILITY

Applicability in the entire territory served by the water system for the City.

AVAILBILITY

Available for general domestic, commercial and industrial service.

RATES

GALLONS USED PER MONTH	PER 1,000 GALONS
First 2,000	$5.83
Next 9,000	$4.15
Next 60,000	$3.13
Over 71,000	$2.42

MINIMUM CHARGE

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

Inch Meter	Per Month
5/8	$11.66
3/4	17.49
1	23.32
1-1/2	58.30
2	93.28
3	174.90
4	291.50
6	583.00
8	932.80

The aforementioned rates have been deemed necessary by council to pay for the repair, maintenance, operation and improvement to the waterworks system, including but not limited to replacement of existing deteriorated mains, addition of some new main, installation of two tank-reservoirs, increase of pumping capacity, together thus restoring crumbling mains and increasing water volume and availability for present users and for development in growth areas, also to provide an adequate reserve fund and depreciation fund as well as principal and interest upon all revenue bonds issued and future bonds to be issued.

IT OF PUBLICATION

Cost of Publication 178.20

Virginia,

kson, to wit:

Ruben, being first sworn upon my oath, do depose and say that I am President of per, Inc., a corporation, and publisher of the newspaper entitled THE JACKSON epublican newspaper that I have been duly authorized by the board of directors of n to execute all affidavits of publication; that such newspaper has been published ne year prior to publication of the annexed notice described below: that such egularly published once weekly on Wednesday for at least fifty weeks during the in the Municipality of Ripley, Jackson County, West Virginia; that such newspaper of "general circulation" as that term is defined in article three, chapter fifty-nine West Virginia, 1931, as amended within the publication area or areas of the afore- ity and county; that such newspaper averages in length four or more pages, exclu- er per issue; that such newspaper is circulated to the general public at a definite eration; that such newspaper is a newspaper to which the general public resorts for of a political, religious, commercial and social nature, and for current happenings, , miscellaneous reading matters, that the annexed notice of _____

_____

hed in said newspaper once a week for 2 successive weeks, commencing with 27th day of January, 2004

the issue of the 3rd day of February, 2004

at the _____ on the _____ day of

____, 2004.

/s/ Micheal L. Ruben

Micheal L. Ruben, Publisher

The Jackson Herald

nd sworn to before me in my said county this 3rd day of February, 2004

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CONNIE SHARP
245 MAPLEWOOD HEIGHTS DR.
RIPLEY, WV 25271
My commission expires February 6, 2013

/s/ Connie Sharp

Notary Public of Jackson County, West Virginia

rates and changes are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of adoption of the ordinance changing said rates or charges, by:

Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility: or
Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within a without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or
Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.
All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, WV 25323.

A complete copy of the proposed rates, as well as a representative of the Company to provide any information requested concerning it, is available to all customers, prospective customers or their agents at any of the following offices of the Company:

City of Ripley Water Board
City of Ripley Municipal Building
113 South Church Street
Ripley, WV 25271

A copy of the proposed rates is also available for public inspection at the Office of the Secretary of the Public Service Commission at 210 Brooks Street, P.O. Box 812, Charleston, WV 25323.

Adoption of the above rate increases will take place at 7:00 p.m. on the 17th day of February 2004 at the regular meeting of the Common Council of the City of Ripley at 113 South Church Street, Ripley, WV 25271. You may appear and be heard on the subject of the proposed rate increases.

City of Ripley, West Virginia
By Leah R. Boggs, Esq.
City Attorney

H2T 1/27,2/3

CERTIFICATION

The undersigned, Ollie M. Harvey, Mayor of the City of Ripley, West Virginia, a municipal corporation, hereby certifies on this 23rd day of January, 2007, that the foregoing Notice was published as a Class II legal advertisement in the Jackson Herald, a newspaper of general circulation in Ripley, West Virginia, on the dates indicated therein, and that the attached Notice was posted in a conspicuous place at the Ripley Municipal Building, 203 South Church Street, Ripley, West Virginia, which is the City's business premises, beginning the day after the meeting where the rate change was adopted and continuing through the thirty (30) day appeal period described in said Notice, and that no objections or protests were received by the City of Ripley or the Public Service Commission of West Virginia during the 30-day period described in said Notice.

Ollie M. Harvey

Ollie M. Harvey, Mayor of the
City of Ripley

[SEAL]

AN AMENDMENT OF THE COMMON COUNCIL OF THE CITY OF RIPLEY TO AN ORDINANCE REGARDING WATER SERVICE RATES

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF RIPLEY WEST VIRGINIA, that Article 935.01 *Water Rates*, is hereby amended as follows:

The following water rates filed with and approved by the West Virginia Public Service Commission shall apply within the City:

APPLICABILITY

Applicability in the entire territory served by the water system for the City.

AVAILABILITY

Available for general domestic, commercial and industrial service

(a) RATES

GALLONS USED PER MONTH	**PER 1,000 GALLONS**
First 2,000	$7.52
Next 9,000	$5.35
Next 60,000	$4.04
Over 71,000	$3.12

(B) MINIMUM CHARGE

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

Inch Meter	Per Month
5/8	$ 15.04
3/4	22.56
1	30.08
1-1/2	75.21
2	120.33
3	225.62
4	376.04
6	752.07
8	1,203.31

The aforementioned rates have been deemed necessary by council to pay for the repair, maintenance, operation and improvement to the waterworks system, including but not limited to replacement of existing deteriorated mains, addition of some new main, increase of pumping capacity, together thus restoring crumbling mains and increasing water volume and availability for present users and for development in

growth areas, also to provide an adequate reserve fund and depreciation fund as well as principal and interest upon all revenue bonds issued and future bonds to be issued.

Nothing contained in this Ordinance shall in any way be construed to affect or impair the validity of any ordinance passed by Council or the other provisions of this article (1960 Code 6-201;2-17-04).

This amendment shall not go into effect until at least 45 days after final adoption by the Common Council.

The above amendments, if approved by the Public Service Commission, shall go into effect as of January 24, 2007.

DATE OF FIRST READING: November 14, 2006

DATE OF SECOND READING: December 5, 2006

Ollie M. Harvey

Ollie Harvey, Mayor

William E. Casto

William Casto, Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Ripley on December 5, 2006.

Dated: January 23, 2007.

William E. Casto

Recorder, City of Ripley

[SEAL]

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

otice is hereby given that the City of Ripley Water Board, a public utility, has adopted by ordinance on November 14, 2006, a tariff containing increased rates, tolls and charges for furnishing water service to City of Ripley customers.

e proposed increased rates and charges will become effective on January 24, 07 unless otherwise ordered by the Public Service Commission and will produce pproximately Two Hundred Fifty-Eight Thousand Four Hundred Twenty-Five Dollars ($258,425.00) annually in additional revenue, an increase of approximately twenty-nine (29)%.

PPLICABILITY
pplicability in the entire territory served by the water system for the City.

AVAILABILITY
vailable for general domestic, commercial and industrial service

RATES

GALLONS USED PER MONTH	PER 1,000 GALLONS
rst 2,000	$7.52
xt 9,000	$5.35
next 60,000	$4.04
Over 71,000	$3.12

MINIMUM CHARGE
bill will be rendered for less than the following amounts according to the size of eter installed:

Inch Meter	Per Month
3	$ 15.04
4	22.56
1	30.08
1-1/2	75.21
2	120.33
	225.62
	376.04
6	752.07
8	1,203.31

e aforementioned rates have been deemed necessary by council to pay for the repair, maintenance, operation and improvement to the waterworks system, including t not limited to replacement of existing deteriorated mains, addition of some new main, installation of two tank-reservoirs, increase of pumping capacity, together thus restoring crumbling mains and increasing water volume and availability for present ers and for development in growth areas, also to provide an adequate reserve fund d depreciation fund as well as principal and interest upon all revenue bonds issued d future bonds to be issued.

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

Any customer aggrieved by the changed rates or charges who presents to the mmission a petition signed by not less than twenty-five percent of the customers ved by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates charges and who presents to the Commission a petition alleging discrimination ween customers within a without the municipal boundaries. Said petition shall accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and er customers of the municipal utility. Said petition shall be accompanied by dence of discrimination.

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

complete copy of the proposed rates, as well as a representative of the Company provide any information requested concerning it, is available to all customers, spective customers or their agents at any of the following offices of the Company:

City of Ripley Water Board
City of Ripley Municipal Building
113 South Church Street
Ripley, WV 25271

opy of the proposed rates is also available for public inspection at the Office of Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, arleston, West Virginia 25323.

he proposed rates will become effective on January 24, 2007 unless otherwise ordered by the Public Service Commission.

y of Ripley, West Virginia
Leah R. Boggs, Esq.
y Attorney
2/12 12/19

Cost of Publication 171.38

m upon my oath, do depose and say that I am
d THE JACKSON HERALD, a Republican
uthorized by the board of directors of such
of publication; that such newspaper has been
r prior to publication of the annexed notice
paper is regularly published once weekly on
during the calendar year, in the municipality of
irginia; that such newspaper is a newspaper of
is defined in article three, chapter fifty-nine of
as amended within the publication area or areas
county; that such newspaper averages in length
of any cover per issue; that such newspaper is
at a definite price of consideration; that such
ch the general public resorts for passing events of
al and social nature, and for current happenings,
reading matters, that the annexed notice

spaper once a week for 2 successive weeks,

he 12 day of December, 2006 and

9 day of December, 2006.

M. L. Ruben

Micheal L. Ruben, Publisher
The Jackson Herald

fore me in my said county this 26 day of December

Connie Sharp
Notary Public of Jackson County, West Virginia

AFFIDAVIT OF PUBLICATION

Cost of Publication 171.38

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

I, Micheal L. Ruben, being first sworn upon my oath, do depose and say that I am publisher of the newspaper entitled THE JACKSON HERALD, a Republican 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 Tuesday for at least fifty weeks during the calendar year, in the municipality of Ripley, 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 notice of change in rates

was duly published in said newspaper once a week for 2 successive weeks, commencing with the issue of the 12 day of December, 2006 and ending with the issue of the 19 day of December, 2006.

M. L. Ruben

Micheal L. Ruben, Publisher
The Jackson Herald

Taken, subscribed and sworn to before me in my said county this 26 day of December 2006.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CONNIE SHARP
245 MAPLEWOOD HEIGHTS DR.
RIPLEY, WV 25271
My commission expires February 5, 2013

Connie Sharp
Notary Public of Jackson County, West Virginia

CERTIFICATION

The undersigned, Ollie M. Harvey, Mayor of the City of Ripley, West Virginia, a municipal corporation, hereby certifies on this 23rd day of January, 2007, that the foregoing Notice was published as a Class II legal advertisement in the Jackson Herald, a newspaper of general circulation in Ripley, West Virginia, on the dates indicated therein, and that the attached Notice was posted in a conspicuous place at the Ripley Municipal Building, 203 South Church Street, Ripley, West Virginia, which is the City's business premises, beginning the day after the meeting where the rate change was adopted and continuing through the thirty (30) day appeal period described in said Notice, and that no objections or protests were received by the City of Ripley or the Public Service Commission of West Virginia during the 30-day period described in said Notice.

Ollie M. Harvey

Ollie M. Harvey, Mayor of the
City of Ripley

[SEAL]

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BONDS
SERIES 2007

MINUTES ON ADOPTION OF
BOND ORDINANCE ON FIRST READING

I, William Casto, Recorder of the City of Ripley, hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Common Council of said City:

*** *** ***

The Council of the City of Ripley met in regular session, pursuant to notice duly given, on the 19th day of December, 2006, at Ripley, West Virginia, at the hour of 7:00 p.m.

PRESENT: Ollie M. Harvey, Mayor
Bill Casto, Recorder
Curtis Anderson, Council
Dave Brubaker, Council
Don Henthorne, Council
Russ Vannoy, Council
Vic Yoak, Council

OTHERS: Ross Felty
Jim Bush, Herald
John Curry
Becky Keller
Beth Keller
Bryan Thompson
Jackie Roberts
Lt. Marvin Quick
Tim King, Superintendent
Tom Armstead, City Clerk
Tom McCrady, Chief PD
Jim Fridley, Captain PD
Jim Dunlap, Bldg. Inspector
Leah Chappell, City Attorney
Lynne Starcher
Rodney Felty
Cara Cooper, Pksbg. News
Ed Moore
Carolyn Rader
Jackie Bailey
Denver H. Thomas
Tyler Thomas
Cam Siegrist
Donna Felty
Mabel Chapman

ABSENT:

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. Thereupon, the Mayor presented a proposed Bond Ordinance and caused the Recorder to read the title thereof as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2007 A AND 2007 B, OF

THE CITY OF RIPLEY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $4,900,000 ON A PARITY WITH THE CITY OF RIPLEY WATER REFUNDING REVENUE BONDS, SERIES 2002, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF RIPLEY, INCLUDING WITHOUT LIMITATION ADDITIONS AND IMPROVEMENTS TO THE WATER TREATMENT FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2007 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2007 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

Thereupon, on motion of Council member Don Henthorne, seconded by Council member Dave Brubaker, it was unanimously ordered that the said Bond Ordinance be adopted on first reading.

(Rest of Page Intentionally Left Blank)

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting be adjourned.

Ollie M. Harvey
Mayor

William E. Casto
Recorder

*** *** ***

I further certify that the foregoing action of said Council remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 23rd day of January, 2007.

William E. Casto
Recorder

[SEAL]

1360396
Minutes on Adoption of Ordinance
First Reading

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BONDS
SERIES 2007

MINUTES ON ADOPTION OF
BOND ORDINANCE ON SECOND READING

I, William Casto, Recorder of the City of Ripley, hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Common Council of said City:

*** *** ***

The Council of the City of Ripley met in regular session, pursuant to notice duly given, on the 2nd day of January, 2007, at Ripley, West Virginia, at the hour of 7:00 p.m.

PRESENT: Ollie M. Harvey, Mayor
Bill Casto, Recorder
Curtis Anderson, Council
Don Henthorne, Council
Russ Vannoy, Council
Vic Yoak, Council

OTHERS: Cara Cooper
Bart Barrett
Lorraine H. Barnett
Tom Armstead, City Clerk
Tom McCrady, Chief PD
Jim Fridley, Captain PD
Bryan Thompson
Jim Bush, Jackson Herald
Mike Scarberry
Becky Keller
Jackie Bailey
Samson Honeycutt
Ed Moore
Carolyn Rader

ABSENT: Dave Brubaker, Council

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. Thereupon, the Mayor presented a proposed Bond Ordinance to be considered for enactment on second reading and he caused the Recorder to read the title thereof as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2007 A AND 2007 B, OF

THE CITY OF RIPLEY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $4,900,000 ON A PARITY WITH THE CITY OF RIPLEY WATER REFUNDING REVENUE BONDS, SERIES 2002, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF RIPLEY, INCLUDING WITHOUT LIMITATION ADDITIONS AND IMPROVEMENTS TO THE WATER TREATMENT FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2007 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2007 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

Thereupon, on motion of Council member Vic Yoak, seconded by Council member Russ Vannoy, it was unanimously ordered that the said Bond Ordinance be passed upon second reading.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting be adjourned.

Ollie M. Harney
Mayor

William E. Castle
Recorder

*** *** ***

I further certify that the foregoing action of said Council remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 23rd day of January, 2007.

William E. Castle
Recorder

[SEAL]

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BONDS
SERIES 2007

MINUTES OF PUBLIC HEARING AND
MEETING OF COUNCIL ON BOND ORDINANCE

I, William Casto, Recorder of the City of Ripley, I hereby certify that the following is a true and correct excerpt of the minutes of a public hearing and special meeting of the Common Council of said City.

The Council of the City of Ripley met in special session, pursuant to notice given, on the 19th day of January, 2007, at Ripley, West Virginia, at the hour of 4:00 p.m., pursuant to the Bond Ordinance passed on first reading on December 16, 2005 and on second reading on January 2, 2007, by said Council and the Notice of Public Hearing relating thereto.

PRESENT: Don Henthorne
Vic Yoak
Bill Casto
Curtis Anderson
Russ Vannoy

ABSENT: Dave Brubaker

The Mayor called the meeting to order and stated the purpose of the meeting. She stated that the meeting was now open for public hearing and called for any persons present that would like to be recognized. Thereupon all persons desiring to protest or otherwise comment with respect to the said Bond Ordinance or to make any suggestions with reference thereto were heard.

After discussion, the Mayor stated that a motion would be required for the Bond Ordinance to be placed into effect. Thereupon, Council member Vic Yoak made a motion that the Bond Ordinance be placed into effect immediately, Council member Don Henthorne seconded the motion, and the motion was carried unanimously. The Mayor then announced that the Bond Ordinance is in effect immediately on the date hereof.

[Rest of Page Intentionally Blank]

There being no further business to come before the meeting, on motion duly made and seconded, it was ordered that the meeting adjourn.

Ollie M. Harney
Mayor

William E. Casto
Recorder

*** *** ***

I further certify that the foregoing action of the Council remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 23rd day of January, 2006.

William E. Casto
Recorder

AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2007 A AND 2007 B, OF THE CITY OF RIPLEY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $4,900,000 ON A PARITY WITH THE CITY OF RIPLEY WATER REFUNDING REVENUE BONDS, SERIES 2002 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF RIPLEY, INCLUDING WITHOUT LIMITATION ADDITIONS AND IMPROVEMENTS TO THE WATER TREATMENT FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2007 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2007 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

CITY OF RIPLEY

ORDINANCE AUTHORIZING THE ISSUANCE OF A $4,900,000
WATER REVENUE BONDS, SERIES 2007

TABLE OF CONTENTS

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF SERIES 2007 BONDS

ARTICLE III

INTERIM CONSTRUCTION FINANCING

ARTICLE IV

BOND PROCEEDS; REVENUES
AND APPLICATION THEREOF

ARTICLE V

GENERAL COVENANTS

ARTICLE VI

RATES, ETC.

ARTICLE VII

MISCELLANEOUS

AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2007 A AND 2007 B, OF THE CITY OF RIPLEY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $4,900,000 ON A PARITY WITH THE CITY OF RIPLEY WATER REFUNDING REVENUE BONDS, SERIES 2002, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF RIPLEY, INCLUDING WITHOUT LIMITATION ADDITIONS AND IMPROVEMENTS TO THE WATER TREATMENT FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2007 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2007 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIPLEY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended (the "Act") and other applicable provisions of law. The City of Ripley (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia, in Jackson County, West Virginia.

Section 1.02. Definitions. The following terms shall have the following meanings herein unless the context otherwise expressly requires:

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

"Bank" means City National Bank of West Virginia, Ripley, West Virginia, a member of the FDIC, or any other bank which is a member of the FDIC that is subsequently designated by the Issuer to serve as the Bank as set forth in a supplemental resolution adopted by the Issuer.

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

"Herein" means in this Ordinance.

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

"Issuer" means the City of Ripley, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County, West Virginia, and, unless the context clearly indicates otherwise includes the Governing Body of the Issuer and any commission, board or department established by the Issuer to operate and maintain the System.

"Mayor" means the Mayor of the Issuer or any temporary Mayor duly appointed by the Governing Body.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Issuer by notice to the Bondholders.

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

"Notes" means the line of credit notes of the Issuer as defined in Section 3.01 hereof.

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

"Ordinance" means collectively this Ordinance and any ordinance or resolution of the Governing Body supplemental hereto.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 5.09 hereof.

"Prior Ordinance" means the Ordinance finally enacted by the Governing Body of the Issuer on September 3, 2002, and put into effect following a public hearing on September 17, 2002, authorizing the Series 2002 Bonds.

"Project" means the acquisition and construction of additions and improvements to the existing waterworks system of the Issuer, including without limitation additions and improvements to the water treatment facility, to be financed in part with the proceeds of the sale of the Series 2007 Bonds, as herein provided.

"Project Costs" means all those costs set out in Section 1.03(E) hereof.

"Purchaser" means United States of America as the holder of the Bond.

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

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U. S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation certificates

6. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations

7. U. S. Maritime Administration
Guaranteed Title XI financing

8. U. S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U. S. government guaranteed debentures
U. S. Public Housing Notes and Bonds - U. S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U. S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations

3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations

5. Ordinance Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, saving and loan associations or mutual savings banks. The collateral must be held by a third party and the Bondholders must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC or, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts.

G. Investment Agreements, including GIC's, acceptable to 100% of the Holders of the Bonds.

H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

K. Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Issuer (buyer/lender), and the transfer of cash from the Issuer to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Issuer in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria or be approved by 100% of the Holders of the Bonds.

1. Repos must be between the Lender and a dealer bank or securities firm

   a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Service, or

   b. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

2. The written repo contract must include the following:

   a. Securities which are acceptable for transfer are:

      (1) Direct U. S. governments, or

      (2) Federal agencies backed by the full faith and credit of the U. S. government (and FNMA & FHLMC)

b. The term of the repo may be up to 30 days

c. The collateral must be delivered to the Issuer or third party acting as agent for the Issuer before/simultaneous with payment (perfection by possession of certificated securities).

d. Valuation of Collateral

(1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.

(a) The value of collateral must be equal to at least 104% of the amount of cash transferred by the Issuer to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the Issuer, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal at least 105%.

3. Legal opinion which must be delivered to the Issuer:

a. Repo meets guidelines under state law for legal investment of public funds.

L. The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, and any other state administered pool investment fund in which the Issuer is statutorily permitted or required to invest will be deemed a permitted investment.

"Recorder" means the Recorder of the Issuer.

"Registrar" means the Recorder or such other person or entity designated by the Issuer as Registrar herein or by subsequent Ordinance or Resolution.

"Revenue Fund" means the Revenue Fund established or continued by Section 4.01 hereof.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Issuer by notice to the Bondholders.

"Series 2002 Bonds" shall have the meaning provided in Section 1.03(G) hereof.

"Series 2007 Bonds" means collectively the Series 2007 A Bond and the Series 2007 B Bond.

"Series 2007 A Bond" means the $2,700,000 Water Revenue Bond, Series 2007 A, authorized hereby.

"Series 2007 A Bond Reserve Account" means the Water Revenue Bond, Series 2007 A Reserve Account created and established by Section 4.02(B) hereof.

"Series 2007 A Bond Reserve Requirement" means the maximum amount of principal and interest which will come due on the Series 2007 A Bond in the then current or any fiscal year thereafter.

"Series 2007 B Bond" means the $2,200,000 Water Revenue Bond, Series 2007 B, authorized hereby.

"Series 2007 B Bond Reserve Account" means the Water Revenue Bond, Series 2007 B Reserve Account created and established by Section 4.02(B) hereof.

"Series 2007 B Bond Reserve Requirement" means the maximum amount of principal and interest which will come due on the Series 2007 B Bond in the then current or any fiscal year thereafter.

"System" means the complete existing waterworks system now owned by the Issuer, consisting of a waterworks system in its entirety or any integral part thereof, including some or all of mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants and softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a water supply system, and shall include any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

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.

Section 1.03. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The Issuer now has a waterworks system which requires additions and improvements, including without limitation additions and improvements to the water treatment facility.

(B) The Project is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the City of Ripley and,

accordingly, it is hereby ordered that there be acquired and constructed additions and improvements to the existing System of the Issuer, particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed with the Recorder of the Issuer. The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

(C) It is necessary for the Issuer to issue its water revenue bonds, in two series being the Series 2007 A Bond and the Series 2007 B Bond, in the aggregate principal amount of $4,900,000 to finance a portion of the costs of such acquisition and construction in the manner hereinafter provided.

(D) The estimated maximum cost of the acquisition and construction of the Project is $5,700,000, $2,700,000 of which will be obtained from the proceeds of the sale of the Series 2007 A Bond herein authorized, $2,200,000 of which will be obtained from proceeds of the sale of the Series 2007 B Bond herein authorized, $300,000 will be obtained from the United States Department of Agriculture, Rural Utilities Service Grant (the "Grant") and the balance of $500,000 will be obtained from a tap fee from the Southern Jackson County Public Service District.

(E) The cost of such acquisition and construction shall be deemed to include, without being limited to, the construction of the Project; the acquisition of any necessary property, real or personal, or interest therein; interest on the Series 2007 Bonds and the Notes or any note, bond, construction loan, or other indebtedness of the Issuer issued to provide interim financing of the Project in anticipation of the issuance of the Series 2007 Bonds prior to, during and for six months after completion of such construction; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized hereby.

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

(G) The only outstanding obligations of the Issuer which will rank on a parity with the Bond as to liens and source of and security for payment are the following:

Water Refunding Revenue Bonds, Series 2002, dated September 20, 2002 ("Series 2002 Bonds"), issued in the original principal amount of $539,000, bearing interest at a variable rate, initially at the rate of 4.5% per annum;

(H) The Issuer has complied with all requirements of the law of West Virginia and the Prior Ordinance relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 2007 Bonds, or will have so complied prior to issuance of the Series 2007 Bonds including, among other things, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order,

the time for a rehearing and appeal of which shall have been waived or shall have expired. The rates, charges and rules as provided by Article VI hereof shall be in full force and effect.

(I) Under the provisions of Section 6.08 of the Prior Ordinance, additional parity bonds may not be issued by the Issuer unless there has been procured and filed with the Recorder a written statement by the Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments provided for in the Prior Ordinance, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such parity bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such parity bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following: (1) the Bonds then outstanding; (2) any parity bonds theretofore issued pursuant to the provisions contained in the Prior Ordinance then outstanding; and (3) the parity bonds then proposed to be issued, all as further described in the Prior Ordinance, which written statement has been obtained and is filed in the office of the Recorder of the Issuer.

(J) The Purchaser is expected by the Issuer to purchase the entire principal amount of the Series 2007 Bonds.

Section 1.04. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and the Purchaser or any other Holder of the Series 2007 Bonds, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Purchaser or any other Holder of the Series 2007 Bonds.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF SERIES 2007 BONDS

Section 2.01. Authorization of Series 2007 Bonds. Subject and pursuant to the provisions hereof, the Series 2007 A Bond of the Issuer, to be known as "Water Revenue Bond, Series 2007 A," is hereby authorized to be issued in the principal amount of $2,700,000, for the purpose of financing a portion of the costs of the acquisition and construction of the Project. Subject and pursuant to the provisions hereof, the Series 2007 B Bond of the Issuer, to be known as "Water Revenue Bond, Series 2007 B," is hereby authorized to be issued in the principal amount of $2,200,000, for the purpose of financing a portion of the costs of the acquisition and construction of the Project.

Section 2.02. Description of Series 2007 Bonds. The Series 2007 A Bond shall be issued in single form, No. AR-1, fully registered to the United States of America and shall be

dated on the date of delivery. The Series 2007 A Bond shall bear interest from date, payable monthly at the rate of 4.125% per annum, and shall be sold at the par value thereof. The Series 2007 A Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the bond form hereinafter set forth. The Series 2007 B Bond shall be issued in single form, No. BR-1, fully registered to the United States of America and shall be dated on the date of delivery. The Series 2007 B Bond shall bear interest from date, payable monthly at the rate of 4.125% per annum, and shall be sold at the par value thereof. The Series 2007 B Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the bond form hereinafter set forth.

Section 2.03. Negotiability, Registration, Transfer and Exchange of Series 2007 Bonds. The Series 2007 Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but Series 2007 Bonds, and the right to the principal of, and stated interest on, such Series 2007 Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 2.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar.

Whenever Series 2007 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 any Series 2007 Bond shall be permitted to be made after the 15th day next preceding any installment payment date on such Bond.

Section 2.04. Registrar. The Recorder of the Issuer will keep or cause to be kept at the office of the Issuer, sufficient books for the registration and transfer of the Series 2007 Bonds, and, upon presentation for such purpose, the Registrar shall register the Series 2007 Bonds initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of any Series 2007 Bond as hereinbefore provided.

Section 2.05. Execution of Series 2007 Bonds. The Series 2007 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.

Section 2.06. Mutilated, Destroyed, Stolen or Lost Series 2007 Bonds. In case any Series 2007 Bond shall become mutilated, destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new bond of like tenor as the Series 2007 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2007 Bond or in lieu of and substitution for the Series 2007 Bond destroyed, stolen or lost, and upon the holder of

the Series 2007 Bond furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2007 Bond so surrendered shall be canceled and held for the account of the Issuer. If the Series 2007 Bond shall have matured or be about to mature, instead of issuing a substitute Series 2007 Bond the Issuer may pay the same, and, if such bond be destroyed, stolen or lost, without surrender thereof.

Section 2.07. Series 2007 Bonds not to be Indebtedness of the Members of the Governing Body of the Issuer. The Series 2007 Bonds shall not be or constitute an indebtedness of the Members of the Governing Body of the Issuer but shall be payable solely from the Net Revenues and from funds in the Series 2007 A Bond Reserve Account with respect to the Series 2007 A Bond, the Series 2007 B Bond Reserve Account with respect to the Series 2007 B Bond and the respective reserve accounts for prior and subsequent series of Bonds.

Section 2.08. Series 2007 Bonds Secured by Pledge of Net Revenues, Funds and Unexpended Bond Proceeds. Payment of the Series 2007 Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on parity with the Series 2002 Bonds, and the funds on deposit in the Series 2007 A Bond Reserve Account with respect to the Series 2007 A Bond, the Series 2007 B Bond Reserve Account with respect to the Series 2007 B Bond and the respective reserve accounts for prior and subsequent series of Bonds. 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, together with the funds on deposit in the Series 2007 A Bond Reserve Account with respect to the Series 2007 A Bond, the Series 2007 B Bond Reserve Account with respect to the Series 2007 B Bond and the respective reserve accounts for prior and subsequent series of Series 2007 Bonds and the unexpended proceeds of the Series 2007 Bonds are hereby irrevocably pledged to the payment of the principal of and interest on the respective Series 2007 Bonds as the same become due.

Section 2.09. Forms of Series 2007 Bonds. Subject to the provisions hereof, the text of the respective Series 2007 Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance or resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(Form of Series 2007 A Bond)

CITY OF RIPLEY
WATER REVENUE BOND,
SERIES 2007 A

$2,700,000

No. AR-1 Date: January 23, 2007

THE CITY OF RIPLEY (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of $2,700,000, plus interest on the unpaid principal balance at the rate of four and one-eighth per cent (4.125%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2007 A Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and $11,745, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2007 A Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

Every payment made hereon shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2007 A Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Purchaser at any time assigns this Series 2007 A Bond and insures the payment thereof, Issuer shall continue to make payments to the Purchaser as collection agent for the holder.

While this Series 2007 A Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly or, except for final payment, be retained by the Purchaser and remitted to the Holder on

either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser will pay the interest to which the Holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the Holder.

Any amount advanced or expended by the Purchaser 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 Purchaser 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 Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

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

This Series 2007 A Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing costs of construction of repairs, replacements and improvements to the waterworks 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 Series 2007 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Recorder of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance hereinafter described, and upon surrender and cancellation of this Series 2007 A 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 Series 2007 A 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 Recorder of the Issuer.

This Series 2007 A Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended (herein called the "Act") and

Ordinance of the Issuer finally enacted on _____ __, 2007, and put into effect following a public hearing held on _____ __, 2007.

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

This Series 2007 A Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2007 A Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2007 A Bond is issued on a parity in all respects with the Series 2002 Bonds and Series 2007 B Bond described in the Ordinance above referenced.

CITY OF RIPLEY

By: _____
Its Mayor

[CORPORATE SEAL]

Attest:

_____
Its Recorder

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) $		(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	
TOTAL . . . . $			

(No writing on this Series 2007 A Bond except by the Issuer as Registrar.)

Date of Registration	In Whose Name Registered	Signature of Recorder or Registrar
_____, 2007	United States of America 75 High Street, Room 320 Morgantown, West Virginia 26505-7500	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

Pay to the Order of _____

_____

_____

UNITED STATES OF AMERICA

By: _____

_____
(Title)

(Form of Series 2007 B Bond)

CITY OF RIPLEY
WATER REVENUE BOND,
SERIES 2007 B

$2,200,000

No. BR-1 Date: January 23, 2007

THE CITY OF RIPLEY (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of $2,200,000, plus interest on the unpaid principal balance at the rate of four and one-eighth per cent (4.125%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2007 B Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and $9,570, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2007 B Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

Every payment made hereon shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2007 B Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Purchaser at any time assigns this Series 2007 B Bond and insures the payment thereof, Issuer shall continue to make payments to the Purchaser as collection agent for the holder.

While this Series 2007 B Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly or, except for final payment, be retained by the Purchaser and remitted to the Holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every

payment made by Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser will pay the interest to which the Holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the Holder.

Any amount advanced or expended by the Purchaser 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 Purchaser 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 Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

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

This Series 2007 B Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing costs of construction of repairs, replacements and improvements to the waterworks 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 Series 2007 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Recorder of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance hereinafter described, and upon surrender and cancellation of this Series 2007 B 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 Series 2007 B 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 Recorder of the Issuer.

This Series 2007 B Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended (herein called the "Act") and Ordinance of the Issuer finally enacted on _____ __, 2007, and put into effect following a public hearing held on _____ __, 2007.

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

This Series 2007 B Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2007 B Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2007 B Bond is issued on a parity in all respects with the Series 2002 Bonds and Series 2007 A Bond described in the Ordinance above referenced.

CITY OF RIPLEY

By: _____
Its Mayor

[CORPORATE SEAL]

Attest:

_____
Its Recorder

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) $		(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	
TOTAL . . . . $			

(No writing on this Series 2007 B Bond except by the Issuer as Registrar.)

Date of Registration	In Whose Name Registered	Signature of Recorder or Registrar
_____, 2007	United States of America 75 High Street, Room 320 Morgantown, West Virginia 26505-7500	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

Pay to the Order of _____

_____

_____

UNITED STATES OF AMERICA

By: _____

_____
(Title)

ARTICLE III

INTERIM CONSTRUCTION FINANCING

Section 3.01. Authorization and General Terms. In order to pay certain Project Costs pending receipt of the gross proceeds of the Series 2007 Bonds and the Grant Proceeds, the Issuer may issue and sell its Notes, in an aggregate principal amount not to exceed $5,200,000. The Notes may be issued as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such date or dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the indenture or supplemental resolution, as applicable.

Section 3.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued with such terms and secured in the manner set forth in an indenture, if applicable (which indenture in the form to be executed and delivered by the Issuer shall be approved by the supplemental resolution), or supplemental resolution, if no indenture is used.

Section 3.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2007 Bonds, the Grant Proceeds, the surplus revenues, letter of credit proceeds, if any, and other sources described in an indenture or supplemental resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in an indenture or the supplemental resolution.

Section 3.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay the trustee to be appointed by a supplemental resolution, upon presentation by the trustee of certain certificates, the sum or sums set forth therein but not to exceed $5,200,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE IV

BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 4.01. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2007 Bonds shall be deposited on receipt by the Issuer in the Bank, in a special account hereby created and designated "City of Ripley Water Treatment Facility Project Construction Account." The moneys in the Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Bank by the pledge of Government Obligations or otherwise in a manner lawful for the securing of deposits of state and municipal funds under West Virginia law. Moneys in the Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Until completion of acquisition and construction of the Project, the Issuer will transfer from the Construction Account and pay to the Purchaser on or before the due date thereof, such sums as shall be from time to time required to make the monthly installment payments on the Series 2007 Bonds if there are not sufficient Net Revenues to make such monthly payment.

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

If the Issuer shall determine at any time that all funds on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the ensuing ninety (90) days, the Issuer may invest such excess funds in Government Obligations which shall mature not later than eighteen (18) months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Construction Account.

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

Section 4.02. Covenants of the Issuer as to Revenues and Funds. As long as the Series 2007 Bonds shall be outstanding and unpaid, or until (i) there shall have been set apart in the Series 2007 A Bond Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2007 A Bond remaining unpaid, together with interest accrued and to accrue thereon, and (ii) there shall have been set apart in the Series 2007 B Bond Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2007 B Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2007 Bonds as follows:

Requirement until the amount in the Series 2007 A Bond Reserve Account is equal to the Series 2007 A Bond Reserve Requirement, and (iii) beginning with and including the month in which the first principal installment is due upon the Series 2007 B Bond, transfer from the Revenue Fund and deposit in the Series 2007 B Bond Reserve Account, which is hereby established with the West Virginia Municipal Bond Commission, one-twelfth of one-tenth of the Series 2007 B Bond Reserve Requirement until the amount in the Series 2007 B Bond Reserve Account is equal to the Series 2007 B Bond Reserve Requirement. After the Series 2007 A Bond Reserve Requirement has been accumulated in the Series 2007 A Bond Reserve Account, the Issuer shall deposit monthly into the Series 2007 A Bond Reserve Account, such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Series 2007 A Bond Reserve Requirement. After the Series 2007 B Bond Reserve Requirement has been accumulated in the Series 2007 B Bond Reserve Account, the Issuer shall deposit monthly into the Series 2007 B Bond Reserve Account, such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Series 2007 B Bond Reserve Requirement. If a deposit into the Series 2002 Bonds Reserve Account is also required by the Prior Ordinance, said deposits into the Series 2002 Bonds Reserve Account, the Series 2007 A Bond Reserve Account and Series 2007 B Bond Reserve Account shall be made pro rata based upon the respective principal amounts outstanding under the Series 2002 Bonds, the Series 2007 A Bond and Series 2007 B Bond, respectively. Moneys in the Series 2007 A Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 2007 A Bond as the same shall become due, for prepayment of installments on the Series 2007 A Bond or for mandatory prepayment of the Series 2007 A Bond as provided herein, and for no other purpose. Moneys in the Series 2007 B Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 2007 B Bond as the same shall become due, for prepayment of installments on the Series 2007 B Bond or for mandatory prepayment of the Series 2007 B Bond as provided herein, and for no other purpose.

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Depreciation Fund created by the Prior Ordinance, a sum equal to 2 1/2 % of the Gross Revenues each month (which is the same amount required by the Prior Ordinance and not in addition thereto), less any amount transferred to any Reserve Account. All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Bank and shall be invested and reinvested in Qualified Investments. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required) and any deficiencies in the respective Sinking Funds for the payment of principal of, premium, if any, and interest on the Bonds shall be promptly eliminated with moneys from the Depreciation Fund.

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

Whenever the money in the Series 2007 A Bond Reserve Account shall be sufficient to prepay the 2007 A Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the 2007 A Bond at the earliest practical date and in accordance with applicable provisions hereof.

Whenever the money in the Series 2007 B Bond Reserve Account shall be sufficient to prepay the 2007 B Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the 2007 B Bond at the earliest practical date and in accordance with applicable provisions hereof.

The Bond Commission (and any successor appointed by the Issuer) is hereby designated as Fiscal Agent for the administration of the Series 2007 A Bond Reserve Account and the Series 2007 B Bond Reserve Account as herein provided, and all amounts required therefor will be deposited 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 solely for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2007 Bonds and the interest thereon. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of state and municipal funds under the laws of the State of West Virginia. The Bank and the Bond Commission shall not be a trustee as to such funds.

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

The Bond Commission as Fiscal Agent shall keep the moneys in the Series 2007 A Bond Reserve Account and the Series 2007 B Bond Reserve Account invested and reinvested to the fullest extent practicable in Qualified Investments. Earnings upon moneys in the Series 2007 A Bond Reserve Account, as long as the Series 2007 A Bond Reserve Requirement are on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Fiscal Agent. Earnings upon moneys in the Series 2007 B Bond Reserve Account, as long as the Series 2007 B Bond Reserve Requirement are on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The Issuer may designate a bank insured by FDIC as Fiscal Agent for the administration of the Series 2007 A Bond Reserve Account and the Series 2007 B Bond Reserve Account if the Bond Commission should cease for any reason to

(A) Revenue Fund. The entire Gross Revenues derived from the operation of the System, and all parts thereof, including without limitation all tap fees received, shall be deposited as collected by the Issuer in the Revenue Fund established or continued by the Prior Ordinance. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and herein and shall be kept separate and apart from all other funds of the Issuer and used only for the purposes and in the manner provided herein. The holder of the Series 2007 A Bond shall have a lien on and a pledge, hereby granted, of all the Net Revenues of the System, as herein provided, and a statutory mortgage lien upon the System, granted and created by the Act, as long as the Series 2007 A Bond remains unpaid, on a parity in all respects with the Holders of the Series 2002 Bonds and the Series 2007 B Bond. The holder of the Series 2007 B Bond shall have a lien on and a pledge, hereby granted, of all the Net Revenues of the System, as herein provided, and a statutory mortgage lien upon the System, granted and created by the Act, as long as the Series 2007 B Bond remains unpaid, on a parity in all respects with the Holders of the Series 2002 Bonds and the Series 2007 A Bond.

(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 revenues on deposit in the Revenue Fund shall first each month be used to pay all reasonable Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Bond Commission for deposit in the Series 2002 Bonds Sinking Fund created by the Prior Ordinance the interest payment on the Series 2002 Bonds in the amount required by the Prior Ordinance, (ii) remit to the National Finance Office designated in the Series 2007 A Bond the amount required to pay the interest on the Series 2007 A Bond, and (iii) remit to the National Finance Office designated in the Series 2007 B Bond the amount required to pay the interest on the Series 2007 B Bond.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Bond Commission for deposit in the Series 2002 Bonds Sinking Fund created by the Prior Ordinance the principal payment on the Series 2002 Bonds in the amount required by the Prior Ordinance, (ii) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2007 A Bond, the amount of principal due on the Series 2007 A Bond, and (iii) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2007 B Bond, the amount of principal due on the Series 2007 B Bond;

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Bond Commission for deposit in the Series 2002 Bonds Reserve Account created by the Prior Ordinance the amount required by the Prior Ordinance to be deposited therein, (ii) beginning with and including the month in which the first principal installment is due upon the Bond, transfer from the Revenue Fund and deposit in the Series 2007 A Bond Reserve Account, which is hereby established with the West Virginia Municipal Bond Commission, one-twelfth of one-tenth of the Series 2007 A Bond Reserve

serve or if the Governing Body determines by resolution and with the written consent of the Purchaser that the Bond Commission or its successor should no longer serve as Fiscal Agent for the Series 2007 A Bond Reserve Account and the Series 2007 B Bond Reserve Account. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

(D) Bona Fide Users. The Issuer has at least 1,656 *bona fide* users of the System.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. As long as any of the Series 2007 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2007 A Bond Reserve Account and the Series 2007 B Bond Reserve Account, a sum sufficient to prepay the entire principal of the Series 2007 A Bond and Series 2007 B Bond, respectively, remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchaser or any other Holder of the Series 2007 Bonds.

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect the holders of the Bonds, the covenants, agreements and provisions contained herein shall, where applicable, also inure to the benefit of the holders of the Notes and the trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the trustee or any holder or holders of the Notes as prescribed in the indenture or supplemental resolution; provided, that Section 5.04 shall not be applied to the Notes.

Section 5.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Ordinance and the respective ordinances or resolutions authorizing the prior and subsequent series of Bonds. No holder or holders of any Bonds or Notes shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 5.03. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Bonds. Such rates shall also be sufficient to make the debt service payments on the Bonds, to make all payments required herein into the Series 2007 A Bond Reserve Account, the Series 2007 B Bond Reserve Account and the Depreciation Fund, to make the payments into Series 2002 Bonds Reserve Account required by the Prior Ordinance and to pay 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 5.04. Statutory Mortgage. For the further protection of the holder of the Series 2007 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 Series 2007 Bonds for the benefit of the Holder of the Series 2007 Bonds on a parity with the Series 2002 Bonds.

Section 5.05. Conditions Precedent Fulfilled; Interim Financing. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 2007 Bonds and the Notes, if issued, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which shall have been waived or shall have expired. The Notes, if issued, will not be payable from the Net Revenues, but shall be payable from proceeds of the Series 2007 Bonds, Grant Proceeds, surplus revenues and proceeds from a letter of credit, if any, all as shall be set forth in the indenture or a supplemental resolution authorizing the Notes.

Section 5.06. Investments. The Issuer shall invest and reinvest, and hereby instructs the Bank and the Bond Commission to invest and reinvest, in Qualified Investments any moneys held as part of the funds and accounts created by this Ordinance, other than the Revenue Fund, to the fullest extent possible subject to applicable laws and this Ordinance, and the need for such moneys for the purposes set forth herein, and the specific restrictions and provisions set forth in this Section 5.06. The Issuer may direct the Bank and the Bond Commission in writing as to what particular permitted investments shall be made.

Except as provided herein and in the indenture, if any, any investment shall be held in and at all times be deemed a part of the fund or account in which the moneys and investments are held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the corresponding fund or account. The Bank and the Bond Commission, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of any loss on such liquidation. The Issuer may invest funds on deposit with the Bank through the trust department of the Bank. The Bank and the Bond Commission shall not be responsible for any losses from such investments, except losses due to its own gross negligence or willful misconduct.

Section 5.07. Completion of Project and Operation and Maintenance of System The Issuer will complete the Project as promptly as reasonably possible and will operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

Section 5.08. Sale of the System. So long as the Series 2002 Bonds remain outstanding, the System shall not be sold except in accordance with the applicable provisions of the Prior Ordinance. Further, the System will not be sold without the prior written consent of the Purchaser or other Holder of the Series 2007 Bonds so long as any of the Series 2007 Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.09. Issuance of Additional Parity Bonds or Obligations. Except as hereinafter provided in this Section 5.09, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2007 Bonds. All obligations issued by the Issuer after the issuance of the Series 2007 Bonds and payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2007 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations. No such Parity Bonds shall be issued at any time unless there has been procured and filed with the Recorder a written statement by the Independent Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then outstanding; and

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

The Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued hereinabove referred to may be adjusted by including in such Net Revenues such additional Net Revenues which are reasonably anticipated to be received, in the opinion of the said Independent Accountants, as stated in a certificate made and signed by the said Independent Accountants, from the improvements to be financed by such Parity Bonds and on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

No additional bonds or other obligations payable out of the revenues of the System which are senior in any way to or on a parity with the Bond shall be issued after the issuance of the Series 2007 Bonds pursuant hereto except with the prior written consent of the Purchaser.

Section 5.10. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as any of the Series 2007 Bonds remain outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage

with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Depreciation Fund.

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

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

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

Section 5.11. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be

deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 5.12. Fiscal Year; Budget. While any of the Series 2007 Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

Section 5.13. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any holder of the Series 2007 Bonds shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Purchaser, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing the following:

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

(B) A balance sheet and a statement of account balances in all funds and accounts provided for herein and status of said funds.

(C) The outstanding balances of the Bonds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any holder or holders of the Series 2007 Bonds issued pursuant to this Ordinance and shall file said report with the Purchaser.

Section 5.14. No Competition. To the extent allowable by law, 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. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

Section 5.16. Wetlands Covenant. The Issuer shall not use any proceeds of the Series 2007 Bonds for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity. Failure to comply with this covenant shall constitute an Event of Default under Section 5.17 hereof.

Section 5.17. Events of Default. Each of the following events is hereby declared an "Event of Default":

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

(b) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2007 Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.18. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser or any other Holder of the Series 2007 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.

Upon application by the Purchaser or any other Holder of the Series 2007 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. All rights and remedies of the Purchaser or other Holder of the Series 2007 Bonds shall in every respect be on parity with the holder or holders of the Series 2002 Bonds.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. The schedule of rates and charges for the services and facilities of the System initially shall be those contained in the Ordinance enacted by the Council of the Issuer on December 5, 2006, and the adoption of such rates is hereby ratified and affirmed.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Modification or Amendment. No modification or amendment of this Bond Legislation, or of any Bond Legislation amendatory hereof or supplemental hereto, may be made without the prior consent in writing of the Purchaser or any other Holder of the Series 2007 Bonds.

Section 7.02. Delivery of Series 2007 Bonds. The Mayor and Recorder of the Issuer are hereby authorized and directed to cause Series 2007 A Bond No. AR-1, hereby

awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery. The Mayor and Recorder of the Issuer are hereby authorized and directed to cause Series 2007 B Bond No. BR-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.03. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.04. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed, but excluding the Loan Resolution (Form FmHA 442-47) and the Prior Ordinance.

Section 7.05. 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 7.06. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, substantially in the form attached hereto as Exhibit A, which abstract is 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 successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in The Jackson Herald, a newspaper published and of general circulation in the boundaries of the Issuer, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the first date of the publication of this Bond Legislation and notice, and present protests. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 7.07. Covenant of Due Procedure, etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Bond Legislation do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and all members of the Governing Body were at all times when any actions in connection with this Bond Legislation occurred and are duly in office and duly qualified for such service.

Passed on First Reading	December 19, 2006
Passed on Second Reading	January 2, 2007
Effective following public hearing held on	January 19, 2007

Ollie M. Harney
Mayor

[SEAL]

Attest:

By: William E. Carter
Recorder

EXHIBIT A

CITY OF RIPLEY
NOTICE OF PUBLIC HEARING
ON WATER BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a special meeting of the City Council of the City of Ripley to be held on January 19, 2007, at 4:00 p.m. in the City Council Meeting Room, Ripley Municipal Building, 203 South Church Street, Ripley, West Virginia, and at such hearing all objections and suggestions shall be heard by the Council and such Council shall then take such action as it shall deem proper in the premises upon an ordinance entitled:

> AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2007 A AND 2007 B, OF THE CITY OF RIPLEY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $4,900,000 ON A PARITY WITH THE CITY OF RIPLEY WATER REFUNDING REVENUE BONDS, SERIES 2002, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF RIPLEY, INCLUDING WITHOUT LIMITATION ADDITIONS AND IMPROVEMENTS TO THE WATER TREATMENT FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2007 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2007 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

The above-entitled Ordinance was enacted by the City Council of the City of Ripley on January 2, 2007.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the bond issue contemplated thereby. The bonds are to provide permanent financing of a portion of the cost of acquisition and construction and improvements to the waterworks system of the City of Ripley (the "System"), including without limitation additions and improvements to the water treatment facility. The bonds are payable solely from revenues derived by ownership and operation of the System. No taxes may at any time be levied for the payment of the bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file at the office of the City Clerk of the City of Ripley, Ripley Municipal Building, 203 South Church Street, Ripley, West Virginia, for review by interested parties during regular office hours.

Following the said public hearing, the City Council intends to take action to place said Ordinance into effect immediately.

Dated: January 9, 2007.

William E. Casto, Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the City Council of the City of Ripley.

Dated: January 23, 2007.

William E. Casto

[SEAL] Recorder, City of Ripley

CITY OF RIPLEY
NOTICE OF PUBLIC HEARING
ON WATER BOND ORDINANCE

A public hearing will be held on the llowing entitled Ordinance at a special eeting of the City Council of the City of Ripley to be held on January 19, 2007, at 4:00 p.m. in the City Council Meeting oom, Ripley Municipal Building, 203 outh Church Street, Ripley, West Virnia, and at such hearing all objections and suggestions shall be heard by the Council and such Council shall then take ich action as it shall deem proper in the remises upon an ordinance entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2007 A AND 2007 B, OF THE CITY OF RIPLEY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $4,900,000 ON A PARITY WITH THE CITY OF RIPLEY WATER REFUNDING REVENUE BONDS, SERIES 2002, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF RIPLEY, INCLUDING WITHOUT LIMITATION ADDITIONS AND IMPROVEMENTS TO THE WATER TREATMENT FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2007 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2007 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

The above entitled Ordinance was enacted by the City Council of the City of Ripley on January 2, 2007.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the bond issue contemplated thereby. The bonds are to provide permanent financing of a portion of the cost of acquisition and construction and improvements to the waterworks system of the City of Ripley (the "System"), including without limitation additions and improvements to the water treatment facility. The bonds are payable solely from revenues derived by ownership and operation of the System. No taxes may at any time be levied for the payment of the bonds or the interest thereon.

A certified copy of the above entitled Ordinance is on file at the office of the City Clerk of the City of Ripley, Ripley Municipal Building, 203 South Church Street, Ripley, West Virginia, for review by interested parties during regular office hours.

Following the said public hearing, the City Council intends to take action to place said Ordinance into effect immediately.

Dated: January 9, 2007.

William E. Casto, Recorder
1/9 1/16

NOTICE

Γ OF PUBLICATION Cost of Publication $87.78

Virginia,
kson, to wit:

Ruben, being first sworn upon my oath, do depose and say that I am the newspaper entitled THE JACKSON HERALD, a Republican at I have been duly authorized by the board of directors of such) execute all affidavits of publication; that such newspaper has been more than one year prior to publication of the annexed notice ow: that such newspaper is regularly published once weekly on ıt least fifty weeks during the calendar year, in the municipality of on County, West Virginia; that such newspaper is a newspaper of lation" as that term is defined in article three, chapter fifty-nine of Vest Virginia, 1931, as amended within the publication area or areas id municipality and county; that such newspaper averages in length pages, exclusive of any cover per issue; that such newspaper is the general public at a definite price of consideration; that such ı newspaper to which the general public resorts for passing events of igious, commercial and social nature, and for current happenings, s, miscellaneous reading matters, that the annexed notice Public Hearing on water Bond ordinance for City of Ripley

shed in said newspaper once a week for 2 successive weeks,

vith the issue of the 9th day of January, 2007 and

e issue of the 16th day of January, 2007.

Micheal L. Ruben

Micheal L. Ruben, Publisher
The Jackson Herald

l and sworn to before me in my said county this 18 day of January

Connie Sharp

Notary Public of Jackson County, West Virginia

OFFICIAL SEAL
OTARY PUBLIC
E OF WEST VIRGINIA
ONNIE SHARP
LEWOOD HEIGHTS DR.
IPLEY, WV 25271
ion expires February 5, 2013

PWSID: WV3301811

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL and WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

PERMIT

RECEIVED
NOV 1 9 2005
By

PROJECT: (Water) 1,500 G.P.M. Water Treatment Plant Upgrade

PERMIT NO.: 16,818

LOCATION: Ripley COUNTY: Jackson DATE: 11-15-2005

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

City of Ripley
203 South Church Street
Ripley, West Virginia 25271

is hereby granted approval to: install approximately 2,200 LF of 8" water line and all necessary valves and appurtenances to improve operating levels in the Cedarcrest storage tanks in Ripley. Also, to expand the existing 750 G.P.M. City of Ripley water treatment plant to a 1,500 G.P.M. plant. Major modifications and upgrades will consist of a new raw water intake with an intake screen with air backwash; install two (2) 1,500 G.P.M. VFD raw water pumps (keeping existing 750 G.P.M. pumps installed for standby service); chemical storage and feed facilities for liquid alum, poly aluminum chloride, lime, sodium hydroxide, fluoride, potassium permanganate, sodium phosphate, powdered carbon, and chlorine gas; a static mixer; expand the existing single stage flocculation basin to two stage flocculation by adding a basin of equal dimensions; add a third 13,252 CF settling basin with tube settlers and mechanical sludge removal equipment); two (2) 1,550 G.P.M. transfer pumps; two (2) packaged micro-filtration membrane systems with backwash and membrane cleaning facilities; a new 137,247 gallon clearwell; two (2) 1,500 G.P.M. high service pumps; and all necessary piping, valves, meters, controls and appurtenances.

Facilities are to serve the City of Ripley, Southern Jackson County Public Service District and, as a standby, the Evans Public Service District.

NOTE: **This permit is contingent upon: 1) All new water line being disinfected, flushed and bacteriologically tested, prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be above the sewer line.**

The Environmental Engineering Division of the St. Albans District Office, telephone (304) 722-0611, is to be notified when construction begins.

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BONDS
SERIES 2007 A AND SERIES 2007 B

ENGINEER'S CERTIFICATE

I, James Hildreth, Registered Professional Engineer, West Virginia Registration No. 7719, of Boyles & Hildreth, Consulting Engineers, Inc., Consulting Engineers, Spencer, West Virginia, hereby certify that my firm is engineer for the acquisition, construction and equipping of certain improvements to the existing waterworks system of the City of Ripley, West Virginia (the "City") in Jackson County, West Virginia, including without limitation additions and other improvements to the existing water treatment facility (herein called the "Project"), which Project is being financed in whole or in part by the above-captioned Water Revenue Bond, Series 2007 A and Water Revenue Bond, Series 2007 B of the City, issued in the respective original principal amounts of $2,700,000 and $2,200,000.

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

I further certify that the Project is adequate for the purpose for which it was designed and that all necessary governmental approvals and permits for the construction thereof have been obtained or can be obtained.

WITNESS my signature on this 23rd day of January, 2007.

BOYLES & HILDRETH, CONSULTING ENGINEERS, INC.

[SEAL]

JAMES B. HILDRETH, C.E. REGISTERED No. 7719 STATE OF WEST VIRGINIA PROFESSIONAL ENGINEER

By: _____
Registration No. 7719

060324alj062806.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

7/18/2006

Entered: June 28, 2006

CASE NO. 06-0324-W-CN

CITY OF RIPLEY
Application for a certificate of convenience and necessity to construct water treatment plant improvements to modify the existing treatment works to produce 1,500 gpm of potable water, as well as water distribution improvements consisting of the installation of approximately 1,850 linear feet of 8-inch water line.

RECOMMENDED DECISION

On March 14, 2006, the City of Ripley (Utility) filed an application for certificate of convenience and necessity to construct improvements to its water treatment and distribution system.

On March 14, 2006, the Commission ordered the Utility to publish a notice of filing in Jackson County. The notice of filing provided the opportunity for public protest.

On May 3, 2006, the Commission referred the matter. The current decision due date is July 27, 2006.

On May 26, 2006, the Utility filed an affidavit of publication indicating that the notice of filing was properly published for two successive weeks in Jackson County. There have been no protests filed to the application.

On June 22, 2006, Staff recommended granting the certificate.

FINDINGS OF FACT

1. On March 14, 2006, the Utility filed an application for a certificate of convenience and necessity to construct improvements to its water treatment and distribution system. (See application).

2. The Utility properly published notice of its filing in Jackson County and there have been no protests. (See affidavit of publication filed May 26, 2006 and file generally).

3. The project is estimated to cost $3,500,000. The Utility proposes to finance the project with a Rural Utilities Service (RUS) loan in the amount of $2,700,000 for 40 years at 4.875% interest, an RUS

grant in the amount of $300,000, and a contribution from its resale customer, Southern Jackson County P.S.D., in the amount of $500,000. (See application).

4. The Utility serves approximately 1,653 users including one resale customer. (See Staff recommendation filed June 22, 2006).

5. The Utility is also a standby source of water for the Evans P.S.D. (*Id.*).

6. The Utility's current plant has a capacity of .75 mgd and draws its raw water from Mill Creek. The proposed upgrade will increase capacity to 1.5 mgd. (*Id.*).

7. The plant, at current capacity, takes 17.9 hours to produce its typical demand of 805,000 gallons a day. The present number of operating hours is above that recommended by the Office of Environmental Health Services. (*Id.*).

8. The Utility operates at three elevation levels and has six storage tanks. Operation records indicate that the water levels of the two Cedarcrest tanks lag behind other storage tanks on the system. Upgrading the lines supplying and draining the Cedarcrest tanks will increase the ability of the Utility to fully use these tanks. (*Id.*).

9. The upgrade for the distribution system consists of installing 2,200 linear feet of 8-inch water line near the Cedarcrest tanks. (*Id.*).

10. The project will result in an overall annual decrease in operation and maintenance expenses of $43,430. The vast majority of the decrease is the result in the reduction of labor because the upgraded capacity will allow the Utility to eliminate one full-time operator. (*Id.*).

11. The Utility has received a permit from the Office of Environmental Health Services for the project. (*Id.*).

12. The project design and drawings generally comply with Commission regulations. (*Id.*).

13. The project will not add new customers. (*Id.*).

14. Staff viewed the engineering fees associated with the project as "slightly high but acceptable." (*Id.*).

15. Increasing the plant's capacity will provide for the existing and foreseeable future residential and commercial needs of the Utility's customers. (*Id.*).

16. No rate increase is necessary to fund the project. (*Id.*).

17. The Utility received commitment letters for all its financing. (Staff Recommendation filed June 22, 2006).

18. At going level, the Utility's current rates produce annual revenues of $801,922, and a current debt service coverage of 390.96%. (*Id.*).

19. The project will not increase the Utility's revenues. The project will increase debt service requirements by $156,492 annually resulting in a debt service coverage with current rates of 116.79% and a cash surplus of $18,898. (*Id.*).

20. Staff recommends granting the certificate. (*Id.*).

CONCLUSIONS OF LAW

1. Public convenience and necessity require the project.

2. The Utility's proposed financing of the project is reasonable.

3. The certificate should be granted upon the conditions recommended by Staff.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of Ripley on March 14, 2006, for a certificate of convenience and necessity to construct improvements to its water treatment and distribution system, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing of the project, consisting of a loan from the Rural Utilities Service in the amount of $2,700,000 for 40 years accruing an interest rate of 4.875%, a grant from RUS in the amount of $300,000, and a contribution from the Southern Jackson Public Service District in the amount of $500,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the City of Ripley petition the Commission to reopen the proceeding in the event that the cost of the project changes in such a way that will impact rates. If any change in the cost of the project does not impact rates, the Utility must file an affidavit signed by a certified public accountant verifying that rates are not going to be affected.

IT IS FURTHER ORDERED that, if the scope, financing or plans of the project change, the City of Ripley petition the Commission for approval of any such change prior to commencing construction.

IT IS FURTHER ORDERED that the City of Ripley file a copy of the project bids with the Commission as soon as they are tabulated.

IT IS FURTHER ORDERED that the City of Ripley file a copy of the certificate of substantial completion when it is available.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' right-of-ways, the Utility shall comply with all rules and regulations of the Division of Highways regarding the use of those right-of-ways.

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

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

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

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

K. A. George

Keith A. George
Administrative Law Judge

KAG:kkp
060324a.wpd

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BONDS
SERIES 2007

GENERAL CERTIFICATE

CERTIFICATE OF:

1. Award of Bonds
2. No Litigation
3. Governmental Approvals
4. No Adverse Financial Change; Indebtedness
5. Signatures, etc.
6. Certification of Copies of Documents
7. Incumbency and Official Name
8. Delivery and Payment
9. Land and Rights of Way
10. Meetings, etc.
11. Contractors' Insurance, etc.
12. Connections, etc.
13. Rates
14. Publication and Public Hearing on Bond Ordinance

We, the undersigned Mayor and Recorder of the City of Ripley, Jackson County, West Virginia (the "Issuer"), and the undersigned Counsel for the Issuer, hereby certify in connection with the City of Ripley Water Revenue Bond, Series 2007 A, dated on the date hereof, in the principal amount of $2,700,000, and bearing interest at the rate of 4.125% per annum and the City of Ripley Water Revenue Bond, Series 2007 B, dated on the date hereof, in the principal amount of $2,200,000 and bearing interest at the rate of 4.125% (collectively, the "Bonds"), as follows:

1. Award of Bond: The entire issue of each of the Bonds has been duly awarded to the United States of America, pursuant to a Letter of Conditions from the United States Department of Agriculture, Rural Utilities Service ("RUS") dated March 17, 2003, as amended by the Amendment No. 1 to Letter of Conditions dated November 29, 2006, and as appears in Section 2.02 of the Bond Ordinance authorizing the issuance of the Bond.

2. No Litigation: No controversy or litigation of any nature is now pending, or to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner 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 in any manner affecting the validity or enforceability of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the Issuer or the Council of the Issuer or the title of the members and officers thereof to their respective offices; nor questioning the acquisition, construction, and equipping of the additions and improvements to the existing waterworks system of the Issuer, including without limitation additions and improvements to the water treatment facility (the "Project") constituting a portion of the waterworks system of the Issuer (the "System"), the costs of which acquisition, construction and equipping of the Project

are being financed in part out of the proceeds of the sale of the Bonds; nor questioning the rates and charges for the services of the System.

3. Governmental Approvals: All applicable approvals and certificates required by law for the acquisition, construction, improvement and operation of the Project and the System and issuance of the Bonds have been duly and timely obtained and remain in full force and effect.

4. No Adverse Financial Change; Indebtedness: There has been no adverse financial change in the financial condition of the Issuer since the approval by RUS of a loan to assist in the acquisition, construction and equipping of the Project. There are no outstanding obligations of the Issuer which will rank senior or on a parity with the Bonds as to liens and source of and security for payment, other than the Issuer's Water Refunding Revenue Bonds Series 2002, dated September 20, 2002 issued in the original aggregate principal amount of $539,000, the current unpaid balance of which is approximately $415,557.57.

5. Signatures, etc.: The undersigned Mayor and Recorder of the Issuer on the date hereof officially executed and sealed each of the Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures, and the undersigned Mayor and Recorder are the duly elected, qualified and serving officials as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer.

6. Certification of Copies of Documents: The copies of the documents listed below, attached hereto or delivered herewith or heretofore 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 or amended or changed in any way unless modification appears from later documents also listed below:

a. Amended Charter of the Issuer

b. Selected Administrative Ordinances of the Issuer

c. Oaths of Office of the Mayor, Recorder and Council Members of the Issuer

d. Ordinances Enacted by the Council of the City on February 17, 2004 and December 5, 2006 Establishing Water Rates (collectively, the "Rate Ordinances")

e. Affidavits of Publication of Notice of Public Hearing on each of the Rate Ordinances

f. Minutes of Meetings of the City Council on December 19, 2006, January 2, 2007 and January 19, 2007 regarding enactment of Bond Ordinance

g. Bond Ordinance

h. Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing on Bond Ordinance

i. Environmental Health Service Permit

j. Recommended Decision of the Public Service Commission of West Virginia (the "Commission") dated June 28, 2006, which became the Final Order of the Commission on July 18, 2006, and Order of the Commission dated January 23, 2007, granting the Certificate of Convenience and Necessity to the City for the Project

7. Incumbency and Official Name: The proper corporate title of the Issuer is "City of Ripley" and it is a municipal corporation of the State of West Virginia in Jackson County, West Virginia. The governing body of the Issuer is its Council consisting of the Mayor, Recorder and five members and their respective offices, dates of commencement and termination of current terms of office are as follows:

Office	Name	Date of Commencement of Term	Date of Expiration of Term
Mayor	Ollie M. Harvey	July 1, 2003	June 30, 2007
Recorder	William Casto	July 1, 2003	June 30, 2007
Council Member	Curtis Anderson	July 1, 2003	June 30, 2007
Council Member	Victor Yoak	July 1, 2003	June 30, 2007
Council Member	David Brubaker	July 1, 2003	June 30, 2007
Council Member	Don Henthorne	July 1, 2003	June 30, 2007
Council Member	Russ Vannoy	July 1, 2003	June 30, 2007

All of the foregoing officers took, subscribed to and filed their oaths of office in accordance with law prior to entering upon their official duties; all of those required to give bonds or undertakings filed such bonds or undertakings at the place and in the manner required by law; all of them have otherwise duly qualified for office and were or are the acting officers for their respective periods above stated; and no proceedings for the removal from office of any such officer have been taken or are pending or threatened.

The duly appointed Counsel for the Issuer is Adams, Fisher & Chappell, of Ripley, West Virginia.

8. Delivery and Payment: On the date hereof, Bond No. AR-1 and Bond No. BR-1 were delivered to FmHA at Ripley, West Virginia, by the undersigned Mayor, and at the time of such delivery, the Bond had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance. At the time of delivery of the Bonds, the amount of $133,000 was received by the undersigned Mayor from the proceeds of the Water Revenue Bond, Series 2007 A and the amount of $108,000 was received by the undersigned Mayor from the proceeds of the Water Revenue Bond, Series 2007 B.

9. Land and Rights of Way: All land in fee simple and all rights of way and easements necessary for the acquisition, construction, operation and maintenance of the Project

and the System have been acquired or can and will be acquired by purchase, or if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation are, in the opinion of the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bond.

10. Meetings, etc.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the construction, operation and financing of the Project and the System were authorized, adopted or enacted at meetings of the Council of the Issuer duly and regularly called and held by the Issuer in accordance with all applicable statutes, ordinances, resolutions and regulations, and a quorum of duly elected, qualified and acting members of the Council was present and acting at all times during all such meetings.

11. Contractors' Insurance, etc.: All contractors have been required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions and Commitment of RUS and the Bond Ordinance.

12. Connections, etc.: The Issuer will serve at least 1,656 bona fide full-time users on the System when the Project has been completed and is placed in operation, in full compliance with the requirements of RUS.

13. Rates: The Council of the Issuer has duly enacted Ordinances on February 17, 2004 and December 5, 2006, respectively, setting rates and charges for the services of the System. Such Ordinances are presently in full force and effect. Public hearings relating to such rates and charges were held on February 17, 2004 and December 5, 2006, respectively, after notice duly given in accordance with all provisions of law. All necessary government approvals have been obtained by the Issuer with respect to such rates and charges.

14. Publication and Public Hearing on Bond Ordinance: Upon adoption of the Bond Ordinance, and abstract thereof, determined by the Council of the Issuer to contain sufficient information as to give notice of the contents thereof, was published once each week for two (2) successive weeks, with not less than six (6) full days between each publication, the first such publication occurring not less than ten (10) before the date stated below for the public hearing, in The Jackson Herald, a newspaper of general circulation in the City of Ripley, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bond described in the Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 19th day of January, 2007, at 4:00 p.m., in the Ripley Municipal Building, 203 South Church Street, Ripley, West Virginia, and present protest, and stating that a certified copy of the Bond Ordinance was on file with the City Clerk for review by interested parties during the office hours of the City Clerk. At such hearing all objections and suggestions were heard by the Council of the Issuer and there being no public protest, written or oral, the Bond Ordinance became finally adopted, and enacted and in effect as of the date of such public hearing, and remains in full force and effect.

WITNESS our signatures and the official corporate seal of CITY OF RIPLEY on the 23rd day of January, 2007.

CITY OF RIPLEY

[SEAL]

By: _____
Its: Mayor

By: _____
Its: Recorder

_____
Counsel

David L. Howell
Certified Public Accountant Member AICPA
davidhowellcpa@charter.net

200 Upper Kanawha Valley Way
Post Office Box 598
Cabin Creek, WV 25035
(304) 595-5212

January 23, 2007

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BONDS
SERIES 2007

City of Ripley
203 South Church Street
Ripley, West Virginia 25271

United States Department of Agriculture
Rural Development
Federal Building, Room 320
75 High Street
Morgantown, West Virginia 26505

Bowles Rice McDavid Graff & Love LLP
600 Quarrier Street
Charleston, West Virginia 25301

Ladies and Gentlemen:

Based upon the rates and charges approved in the ordinance enacted by the City Council of the City of Ripley (the "Issuer") on December 5, 2006, for the waterworks system of the Issuer (the "System") and the projected operating expenses and anticipated customer usage as furnished to us by the Issuer, it is my opinion that such rates and charges will be sufficient (i) to provide for all operating expenses and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any year for debt service on the Water Revenue Bond, Series 2007 A and the Water Revenue Bond, Series 2007 B (collectively, the "Series 2007 Bonds"), to be issued to the United States of America and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2007 Bonds, including the Series 2002 Bonds. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Bond Ordinance enacted by the Issuer on January 2, 2007, and put into effect following a public hearing held on January 19, 2007.

Further, it is my opinion that the Net Revenues actually derived from the System during 12 consecutive months within the 18 months immediately preceding the date hereof, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years (as such term is further described in the Prior Ordinance) after the completion of the improvements to be financed by the Series 2005 Bond, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding

fiscal year for the principal of and interest on the Series 2007 Bonds and the Series 2002 Bonds.

Very truly yours,

David L. Howell, CPA

fiscal year for the principal of and interest on the Series 2007 Bonds and the Series 2002 Bonds.

Very truly yours,

David L. Howell, CPA

3 West Piccadilly Street
Winchester, Virginia 22601
Telephone (540) 723-8877

101 South Queen Street
Martinsburg, West Virginia 25401
Telephone (304) 263-0836

7000 Hampton Center, Suite K
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Bowles Rice McDavid Graff & Love LLP

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333 West Vine Street, Suite 1201
Lexington, Kentucky 40507
Telephone (859) 225-8700

January 23, 2007

Camden P. Siegrist
Telephone — (304) 347-1129
Facsimile — (304) 343-3058

E-Mail Address:
csiegris@bowlesrice.com

City of Ripley
203 South Church Street
Ripley, West Virginia 25271

Re: $2,700,000 City of Ripley Water Revenue Bond, Series 2007 A and
$2,200,000 City of Ripley Water Revenue Bonds, Series 2007 B

Ladies and Gentlemen:

We have examined a record of the proceedings relating to the issuance of the Water Revenue Bond, Series 2007 A (the "Series 2007 A Bond") and Water Revenue Bond, Series 2007 B (the "Series 2007 B Bonds"), of the City of Ripley, in Jackson County, West Virginia (the "Issuer"), dated on the date hereof. The Series 2007 A Bond bears interest from the date of delivery at the rate of 4.125% per annum, represented by a single bond numbered AR-1, in the principal amount of $2,700,000. The Series 2007 B Bond bears interest from the date of delivery at the rate of 4.125% per annum, represented by a single bond numbered BR-1, in the principal amount of $2,200,000.

The Series 2007 A Bond and the Series 2007 B Bond (collectively, the "Bonds") have been authorized by an Ordinance duly enacted on January 2, 2007, and placed into effect following a public hearing held on January 19, 2007, by the Common Council, which is the governing body of the Issuer (the "Bond Ordinance").

Interest only on the Bonds is payable in monthly installments for the first 24 months after delivery; and thereafter, principal of and interest on the Series 2007 A Bond are payable in monthly installments of $11,745 and principal and interest on the Series 2007 B Bond are payable in monthly installments of $9,570, in each case to and including the 480th month after the date of the Bonds, the final installment to be in the sum of the unpaid principal and interest due on the date thereof.

Principal installments on 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 financing all or a portion of the costs of the acquisition, construction and equipping of certain

improvements to the waterworks system of the Issuer (herein called the "System"), including without limitation additions and other improvements to the existing water treatment facility.

The Bonds have been awarded to the United States of America at par. There are no outstanding obligations of the Issuer which rank on a parity with the Bonds as to liens and source of and security for payment other than the Issuer's Series 2002 Bonds, as defined in the Bond Ordinance.

It is our opinion that:

1. The Issuer is a duly organized and presently existing municipal corporation of the State of West Virginia with full power and authority to acquire, construct, improve and maintain the System and issue and sell the Bonds, all under the provisions of Chapter 8, Article 19, of the Code of West Virginia of 1931, as amended, (the "Act") and other applicable provisions of law.

2. The Issuer has legally and effectively enacted the Bond Ordinance in connection with the Bonds and has sold and delivered the Bonds to the United States of America.

3. The Bonds are in due and proper form and have been duly executed and delivered, and constitute valid and legally enforceable special obligations of the Issuer secured by and payable solely from a first lien on and pledge of the net revenues of the System on a parity with the lien of the Issuer's Series 2002 Bonds, as defined in the Bond Ordinance, all in accordance with the terms of the Bonds and the Bond Ordinance.

4. The Bonds are not being issued on the basis that the interest thereon is or will be excluded from gross income for federal income tax purposes; therefore, the interest on the Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

6. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by that certain Letter of Conditions, dated March 17, 2003, from the United States Department of Agriculture, Rural Development to the Issuer, as amended by Amendment No. 1 to Letter of Conditions dated November 29, 2006, the Bond Ordinance, acquisition, construction or

operation of the System or the validity of the Bonds or the issuance of the Bonds or the collection or pledge of the net revenues of the System therefor or for the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Ordinance and liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer and other similar laws affecting creditors' rights (to the extent constitutionally applicable) and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

BOWLES RICE McDAVID GRAFF & LOVE LLP

Bowles Rice McDavid Graff & Love LLP

ADAMS, FISHER &CHAPPELL, PLLC

Attorneys at Law

RONALD H. ADAMS (1929-1987)
ROBERT D. FISHER
LEAH R. CHAPPELL

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Ripley, WV 25271

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LeahBoggs@citynet.net

January 23, 2007

City of Ripley
203 South Church Street
Ripley, West Virginia 25271

Bowles Rice McDavid Graff & Love LLP
600 Quarrier Street
Charleston, West Virginia 25301

RE: $2,700,000 City of Ripley Water Revenue Bond, Series 2007 A and
$2,200,000 City of Ripley Water Revenue Bond, Series 2007 B

Ladies and Gentlemen:

We are counsel to the City of Ripley, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County, West Virginia (the "Issuer"). As such counsel, we have examined the Bond Ordinance duly enacted by the Issuer on January 2, 2007, and put into effect following a public hearing on January 19, 2007 (the "Local Act"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in said Local Act and not otherwise defined herein have the same meanings herein.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Issuer is a duly organized and presently existing municipal corporation of the State of West Virginia with full power and authority to acquire, construct, improve and maintain the System and issue and sell the Bonds, all under the provisions of Chapter 18, Article 19, of the Code of West Virginia of 1931, as amended, (the "Act") and other applicable provisions of law.

2. The Mayor, Recorder and members of the Council of the Issuer have been duly and properly elected or appointed as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

3. The Local Act has been duly enacted by the Issuer and is in full force and effect.

4. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by that certain Letter of Conditions, dated March 17, 2003, from the United States Department of Agriculture, Rural Development to the Issuer, as such Letter of Conditions has been amended by Amendment No. 1 thereto dated November 29, 2006, the Bond Ordinance, acquisition, construction or operation of the System or the validity of the Bonds or the issuance of the Bonds or the collection or pledge of the net revenues of the System therefor or for the Bonds.

Very truly yours,
ADAMS, FISHER & CHAPPELL, PLLC

Leah R. Chappell, Esq.

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BONDS
SERIES 2007

RECEIPT FOR BONDS AND TRANSCRIPTS

The undersigned, for the United States Department of Agriculture, hereby certifies as follows:

1. On the 23rd day of January, 2007, at Ripley, West Virginia, the undersigned received from the City of Ripley, West Virginia (the "City"), the single City of Ripley, West Virginia Water Revenue Bond, Series 2007 A (the "Series 2007 A Bond"), in the principal amount of $2,700,000 dated as of the date hereof, bearing interest at the rate of 4.125% per annum, payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2007 A Bond had been executed and sealed by the Mayor and Recorder of the City.

3. At the time of such receipt, there was paid to the City the sum of $133,000 from the proceeds from the Series 2007 A Bond.

4. On the 23rd day of January, 2007, at Ripley, West Virginia, the undersigned received from the City of Ripley, West Virginia (the "City"), the single City of Ripley, West Virginia Water Revenue Bond, Series 2007 B (the "Series 2007 B Bond"), in the principal amount of $2,200,000 dated as of the date hereof, bearing interest at the rate of 4.125% per annum, payable in monthly installments as stated in the Bond.

5. At the time of such receipt, the Series 2007 B Bond had been executed and sealed by the Mayor and Recorder of the City.

6. At the time of such receipt, there was paid to the City the sum of $108,000 from the proceeds of the Series 2007 B Bond.

7. At the time of such receipt, there was also received by the undersigned three sets of Bond transcript documents.

WITNESS my signature on the 23rd day of January, 2007.

UNITED STATES OF AMERICA
DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

By: Virginia M McDonald
Its: Rural Development Specialist
(Title)

CITY OF RIPLEY, WEST VIRGINIA
WATER REVENUE BOND
SERIES 2005

RECEIPT FOR BOND PROCEEDS

The undersigned, for the City of Ripley, Jackson County, West Virginia, hereby certifies as follows:

1. On the 23rd day of January 2007, at Ripley, West Virginia, the undersigned received from the United States Department of Agriculture $133,000.00 of the proceeds from the single City of Ripley, West Virginia, Water Revenue Bond, Series 2007 A (the "Series 2007 A Bond"), in the principal amount of $2,700,000 dated as of January 23, 2007, bearing interest at the rate of 4.125% per annum, payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2007 A Bond had been executed and sealed by the Mayor and Recorder of the City of Ripley.

3. On the 23rd day of January 2007, at Ripley, West Virginia, the undersigned received from the United States Department of Agriculture $108,000.00 of the proceeds from the single City of Ripley, West Virginia, Water Revenue Bond, Series 2007 B (the "Series 2007 B Bond"), in the principal amount of $2,200,000 dated as of January 23, 2007, bearing interest at the rate of 4.125% per annum, payable in monthly installments as stated in the Bond.

4. At the time of such receipt, the Series 2007 B Bond had been executed and sealed by the Mayor and Recorder of the City of Ripley.

WITNESS my signature on the 23rd day of January, 2007.

Ollie M. Hanner

Mayor,
City of Ripley, West Virginia

CITY OF RIPLEY
WATER REVENUE BOND,
SERIES 2007 A

$2,700,000

No. AR-1 Date: January 23, 2007

THE CITY OF RIPLEY (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of $2,700,000, plus interest on the unpaid principal balance at the rate of four and one-eighth per cent (4.125%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2007 A Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and $11,745, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2007 A Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

Every payment made hereon shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2007 A Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Purchaser at any time assigns this Series 2007 A Bond and insures the payment thereof, Issuer shall continue to make payments to the Purchaser as collection agent for the holder.

While this Series 2007 A Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly or, except for final payment, be retained by the Purchaser and remitted to the Holder on either a calendar quarter basis or an annual installment due date basis. The

effective date of every payment made by Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser will pay the interest to which the Holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the Holder.

Any amount advanced or expended by the Purchaser 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 Purchaser 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 Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

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

This Series 2007 A Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing costs of construction of repairs, replacements and improvements to the waterworks 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 Series 2007 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Recorder of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance hereinafter described, and upon surrender and cancellation of this Series 2007 A 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 Series 2007 A 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 Recorder of the Issuer.

This Series 2007 A Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others,

Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended (herein called the "Act") and Ordinance of the Issuer finally enacted on January 2, 2007, and put into effect following a public hearing held on January 19, 2007.

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

This Series 2007 A Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2007 A Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2007 A Bond is issued on a parity in all respects with the Series 2002 Bonds and Series 2007 B Bond described in the Ordinance above referenced.

CITY OF RIPLEY

By: Ellie M. Harney
Its Mayor

SPECIMEN

[CORPORATE SEAL]

Attest:

William E. Casto
Its Recorder

SPECIMEN

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) $133,000.00	Jan. 23, 2007	(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	
TOTAL . . . . $			

(No writing on this Series 2007 A Bond except by the Issuer as Registrar.)

Date of Registration	In Whose Name Registered	Signature of Recorder or Registrar
January 23, 2007	United States of America 75 High Street, Room 320 Morgantown, West Virginia 26505-7500	William J. Casto SPECIMEN

ASSIGNMENT

Pay to the Order of _____

_____

_____

UNITED STATES OF AMERICA

By: _____

_____

(Title)

CITY OF RIPLEY
WATER REVENUE BOND,
SERIES 2007 B

$2,200,000

No. BR-1 Date: January 23, 2007

THE CITY OF RIPLEY (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of $2,200,000, plus interest on the unpaid principal balance at the rate of four and one-eighth per cent (4.125%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2007 B Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and $9,570, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2007 B Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

Every payment made hereon shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2007 B Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Purchaser at any time assigns this Series 2007 B Bond and insures the payment thereof, Issuer shall continue to make payments to the Purchaser as collection agent for the holder.

While this Series 2007 B Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly or, except for final payment, be retained by the Purchaser and remitted to the Holder on either a calendar quarter basis or an annual installment due date basis. The

effective date of every payment made by Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser will pay the interest to which the Holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the Holder.

Any amount advanced or expended by the Purchaser 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 Purchaser 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 Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

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

This Series 2007 B Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing costs of construction of repairs, replacements and improvements to the waterworks 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 Series 2007 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Recorder of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance hereinafter described, and upon surrender and cancellation of this Series 2007 B 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 Series 2007 B 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 Recorder of the Issuer.

This Series 2007 B Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others,

Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended (herein called the "Act") and Ordinance of the Issuer finally enacted on January 2, 2007, and put into effect following a public hearing held on January 19, 2007.

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

This Series 2007 B Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2007 B Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2007 B Bond is issued on a parity in all respects with the Series 2002 Bonds and Series 2007 A Bond described in the Ordinance above referenced.

CITY OF RIPLEY

By: _____
Its Mayor

[CORPORATE SEAL]

Attest:

_____
Its Recorder

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) $108,000.00	Jan. 23, 2007	(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	
TOTAL . . . . $			

(No writing on this Series 2007 B Bond except by the Issuer as Registrar.)

Date of Registration	In Whose Name Registered	Signature of Recorder or Registrar
January 23, 2007	United States of America 75 High Street, Room 320 Morgantown, West Virginia 26505-7500	William Casto SPECIMEN

ASSIGNMENT

Pay to the Order of _____

_____

_____

UNITED STATES OF AMERICA

By: _____

_____

(Title)