

CITY OF THOMAS

Water Revenue Bond, Series 1988

BOND TRANSCRIPT

Table of Contents

1. Consent to Issuance of Parity Bond
2. Receipt for Bond and Transcript
3. Combined Certificate of Issuer and Attorney on:
 1. AUTHORIZATION AND AWARD OF BOND
 2. NO LITIGATION
 3. GOVERNMENTAL APPROVALS
 4. PUBLICATION AND NO PROTEST
 5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
 6. SIGNATURES, ETC.
 7. CERTIFICATION OF COPIES OF DOCUMENTS
 8. INCUMBENCY AND OFFICIAL NAME
 9. DELIVERY AND PAYMENT AND USE OF PROCEEDS
 10. LAND AND RIGHTS OF WAY
 11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
 12. CONTRACTORS' INSURANCE, ETC.
 13. CONNECTIONS, ETC.
 14. MANAGEMENT
 15. GRANTS
 16. PRIVATE ACTIVITY BOND CERTIFICATIONS
 17. NO FEDERAL GUARANTY
 18. INFORMATION RETURN
 19. NO ARBITRAGE
 20. RATE FILING WITH PSC
 21. RELIANCE
4. Approving Opinion and No Arbitrage Opinion
5. Engineer's Certificate
6. Charter of City
7. Minutes on Enactment of Bond Ordinance on First and Second Readings and After Public Hearing (including Minutes on Adoption of Supplemental Resolution)

8. Affidavit of Publication of Notice of Hearing on Bond Ordinance
9. Public Service Commission Order - Certificate of Convenience and Necessity
10. The Board of Education of the County of Tucker Grant Commitment
11. ARC Grant Agreement
12. Information Return Form 8038-GC and Transmittal Letter
13. 1973 Bond Ordinance
14. 1982 Bond Ordinance
15. Affidavits of Publication of Notices of Hearings on Rate Ordinance and Re-enacted Rate Ordinance
16. Rate Ordinance and Re-enacted Rate Ordinance
17. Bond Ordinance
18. Supplemental Resolution
19. Specimen Bond

04/06/88
THMSWI-A



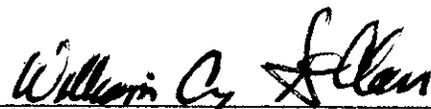
FARMERS HOME ADMINISTRATION
P. O. Box 678
Morgantown, WV 26505

April 7, 1988

City of Thomas
Water Revenue Bond, Series 1988

TO WHOM IT MAY CONCERN:

The undersigned ACTING STATE DIRECTOR, for the United States Department of Agriculture, Farmers Home Administration, the present holder of all of the 1973 Bonds and 1982 Bonds both hereinafter defined and described, hereby consents to the issuance of the above-captioned Water Revenue Bond, Series 1988 (the "1988 Bond"), under the terms of the 1988 Bond Ordinance, which Bond is to be issued on a parity with the outstanding Water Revenue Bonds, Series 1973, of the City, dated June 27, 1974 (the "1973 Bonds"), and the outstanding Water Revenue Bond, Series 1982, of the City, dated August 10, 1982 (the "1982 Bonds"), and hereby waives any requirements imposed by the aforesaid outstanding bond issues regarding the issuance of parity bonds which are not met by the 1988 Bond.



WILLIAM CRAIG ST. CLAIR
Acting State Director
Morgantown, West Virginia



CITY OF THOMAS

Water Revenue Bond, Series 1988

RECEIPT FOR BOND NO. R-1 AND TRANSCRIPT

The undersigned, for Farmers Home Administration of the United States Department of Agriculture (the "Purchaser"), hereby certifies as follows:

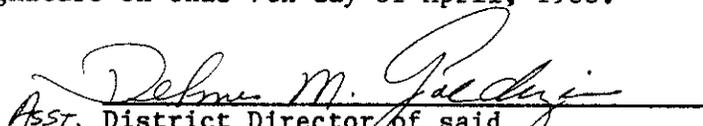
1. On the 7th day of April, 1988, at Thomas, West Virginia, the undersigned received for the Purchaser the single, fully registered City of Thomas Water Revenue Bond, Series 1988, No. R-1 (the "Bond"), in the principal amount of \$77,000, dated as of the date hereof, bearing interest at the rate of 6 1/8% per annum, payable in monthly installments as stated in the Bond. The Bond represents the entire above-captioned Bond issue.

2. At the time of such receipt, the Bond had been executed and sealed by the designated officials of the Town.

3. At the time of such receipt, there was paid to said Town the sum of \$77,000, being the principal amount of the Bond.

4. At the time of such receipt, there was also received by the undersigned a set of Bond Transcript documents.

WITNESS my signature on this 7th day of April, 1988.


ASST. District Director of said
Farmers Home Administration

04/05/88
THMSW1-B



(Final Certificate)

CITY OF THOMAS

Water Revenue Bond, Series 1988

CERTIFICATE OF:

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

We, the undersigned MAYOR and RECORDER of the City of Thomas, Tucker County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, acting for the Issuer and in its name, hereby state and certify in connection with the City of Thomas Water Revenue Bond, Series 1988, No. R-1, fully registered, dated the date hereof, in the principal amount of \$77,000, and bearing interest at the rate of 6 1/8% per annum (the "Bond"), as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bond has been duly awarded to the United States Department of Agriculture, Farmers Home Administration (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, as amended, and as appears in Section 6.02 of the Bond Ordinance and

a Supplemental Resolution of the Issuer both authorizing issuance of the Bond (collectively, the "Bond Ordinance"). The Bond is being issued on this date to finance a portion of the acquisition and construction of the Project, herein defined, located within the boundaries of the Issuer.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bond; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bond; nor in any way questioning or affecting the validity of the Bond or any provisions made or authorized for the payment thereof, including without limitation the pledge or application of any moneys or security therefor; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the waterworks system of the Issuer (the "System") or the acquisition and construction of additions, extensions or improvements thereto consisting of one 50,000 gallon and one 100,000 gallon steel reservoir, a booster station, 21,630 L.F. of 8-inch PVC Class 160 pipe, 4,570 L.F. of 8-inch PVC Class 200 pipe, 126 L.F. of 8-inch ductile iron pipe, 4,240 L.F. of 8-inch C-900 pipe, 2,770 L.F. of 6-inch PVC Class 160 pipe, 260 L.F. of 2-inch PVC Class 160 pipe, a new chlorination system at the Issuer's treatment plant and new raw water intake motors and pumps, with all necessary appurtenant facilities (the "Project") being financed in part out of the proceeds of sale of the Bond; nor questioning the rates and charges provided for services of the System.

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

4. PUBLICATION AND NO PROTEST: Notice of public hearing upon the Ordinance authorizing, among other things, issuance of the Bond, finally adopted and enacted April 6, 1988, was duly published as required by law.

There was not any protest to the passage of the Bond Ordinance, oral or written, and such Ordinance became fully effective on April 6, 1988, following such public hearing, and remains in full force and effect.

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

There are outstanding obligations of the Issuer which will rank on a parity with the Bond as to liens, pledges and source of and security for payment, being the Water Revenue Bonds, Series 1973, of the Issuer dated June 27, 1974 (the "1973 Bonds"), issued in the original principal amount \$79,000, of which \$66,468.18 principal amount remains outstanding on the date hereof, and the Water Revenue Bond, Series 1982, of the Issuer, dated August 10, 1982 (the "1982 Bonds"), issued in the original principal amount of \$109,000, of which \$103,744.63 principal amount remains outstanding on the date hereof, and both of which are held by the United States Department of Agriculture, Farmers Home Administration.

The Issuer is not in default under any provision of the 1973 Bonds or 1982 Bonds or the ordinances authorizing either the 1973 Bonds or the 1982 Bonds and has complied with all requirements of such bonds and ordinances with respect to issuance of the Bond or has obtained a sufficient and valid waiver of such requirements.

Other than the 1973 Bonds and 1982 Bonds, there are no outstanding obligations of the Issuer which are secured by any revenues or assets of the System.

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

7. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended, supplemented or changed in any way unless modification appears from later documents also listed below.

Charter of City of Thomas

Bond Ordinance

Supplemental Resolution

Rate Ordinance and Re-enacted Rate Ordinance

Minutes on Adoption of Bond Ordinance on First and Second Readings and After Public Hearing

Affidavits of Publication on Bond Ordinance, Rate Ordinance and Re-enacted Rate Ordinance

The Board of Education of the County of Tucker Grant Commitment and ARC Grant Agreement

1973 Ordinance

1982 Ordinance

Public Service Commission Final Order entered June 11, 1987

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Thomas" and it is a municipal corporation and political subdivision of the State of West Virginia in Tucker County of said State. The governing body of the Issuer is its Council presently consisting of 4 members, a Mayor and a Recorder, whose names and dates of commencement and termination of current terms of office are as follows:

		<u>Date of Commencement of Term of Office</u>	<u>Date of Commencement of Term of Office</u>
Mayor	- Walt J. Ranalli	July 1, 1986	June 30, 1988
Recorder	- Mary F. Buckley	July 1, 1986	June 30, 1988
Councilmember	- Charles R. Paugh, Jr.	July 1, 1986	June 30, 1988
Councilmember	- Mary Milkint	July 1, 1986	June 30, 1990
Councilmember	- Samuel Eichelberger	July 1, 1986	June 30, 1990
Councilmember	- Tammy Lipscomb	February 24, 1987	June 30, 1988

There is currently one unfilled council position. The duly appointed and acting Attorney for the Issuer is J. Pat. Nichols, Esquire, of Parsons, West Virginia.

9. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On April 7, 1988, Bond No. R-1 was delivered to the Purchaser at Thomas, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Bond had been duly and fully executed and sealed on behalf of the Issuer in accordance with the above-mentioned Bond Ordinance.

At the time of delivery of Bond No. R-1, the amount of \$77,000 was received by the undersigned Mayor, being the full principal amount of Bond No. R-1.

Bond No. R-1 is dated the date of delivery on the date hereof and interest thereon at the rate of 6 1/8% per annum is payable from such date.

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

10. LAND AND RIGHTS OF WAY: All land in fee simple and all rights of way and easements necessary for the 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 all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bond.

11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the acquisition, construction, operation and financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any Rules of Procedure of the Governing Body and all applicable statutes, including particularly and without limitation Chapter 6, Article 9A of the Official West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be published or posted were so published or posted in accordance with all applicable provisions of law.

12. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where

applicable, in accordance with the Letter of Conditions and Commitment of the Purchaser and the Bond Ordinance.

13. CONNECTIONS, ETC.: The Issuer now serves at least 372 bona fide full time users, in full compliance with the requirements of the Purchaser.

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

15. GRANTS: As of the date hereof, the grant from the Appalachian Regional Commission in the amount of \$523,000 and the grant from The Board of Education of the County of Tucker in the amount of \$150,000 are committed and in full force and effect.

16. PRIVATE ACTIVITY BOND CERTIFICATIONS: The Issuer shall at all times take, and refrain from taking, any and all actions necessary to assure the tax-exempt status of the Bond and the interest thereon. Less than 10% of the proceeds of the Bond will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal on, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bond will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bond, including the disproportionate related business use of the proceeds of the issue of the Bond, and none of the payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bond. None of the proceeds of the issue of the Bond will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit, other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended (including any amendments

and successor provisions and the rules and regulations thereunder, the "Code").

17. NO FEDERAL GUARANTY: The Bond is not, in whole or part, and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

18. INFORMATION RETURN: The information contained in the Information Return to be filed pursuant to Section 149(e) of the Code in connection with the issuance of the Bond is true, complete and correct.

19. NO ARBITRAGE: On the basis of the facts, estimates and circumstances in existence on the date hereof, the date on which the Bond is to be physically delivered in exchange for the issue price of the Bond, it is reasonably expected and estimated as hereinafter set forth with respect to the Bond and the proceeds thereof.

It is estimated that the total costs of acquisition and construction of the Project will be not less than \$750,000. The said total costs are expected to be financed with:

- (i) \$77,000 of proceeds from the sale of the Bond; and
- (ii) Grant moneys in the amount of not more than \$673,000.

The purchase price of the Bond, being \$77,000 (100% with no accrued interest being paid thereon), will be deposited in the Project Construction Account provided for in Article III, Section 3.01, of the Bond Ordinance and will be spent to finance a portion of the costs of the Project (including without limitation issuance costs and expenses) and for no other purpose. Amounts in the Project Construction Account, if invested, will be invested without yield limitations for a period necessary to complete the Project, not to exceed 3 years. All of such moneys are necessary for such purpose.

The Issuer has heretofore entered into, or will on this date enter into, a contract for the acquisition and construction of the Project, which contract obligates payment by the Issuer of not less than \$100,000 and is a substantial binding commitment. The actual work of acquiring and constructing the Project is expected to commence during the month of April, 1988. It is contemplated that such work will proceed with due diligence to completion, expected on or about October, 1988.

The Issuer has heretofore expended, for payment of costs incurred in acquiring and constructing the Project, approximately

\$ 0, derived from (i) a portion of the aforesaid grants and ~~(ii) short-term~~ borrowings made in anticipation of the issuance and sale of the Bond and which will be fully repaid within days following the issuance of the Bond.

The proceeds to be derived by the Issuer from the sale of the Bond are expected to be used, needed and fully expended for payment of costs of acquiring and constructing the Project ~~(including the repayment of short-term borrowings referred to in the preceding paragraph)~~ by no later than April, 1988.

Except for a reasonable temporary period until such proceeds are needed for the purpose for which such issue was issued or as otherwise allowed, no portion of the proceeds of the Bond will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

The Issuer has general taxing powers; no Bond which is part of such issue is a private activity bond, as hereinbefore set forth; 95% or more of the net proceeds of such issue are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Issuer (and all subordinate entities thereof) during the calendar year in which such issue is issued is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code. For purposes of this paragraph and for the purposes of applying such Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Except for the Reserve Fund and the Depreciation Reserve provided for in Article III, Section 3.02 of the Bond Ordinance, the Issuer has not created or established, and does not expect to create or establish, any sinking fund or other similar fund with respect to the Bond. The Issuer does not expect the Depreciation Reserve will be used or needed for payments upon the Bond. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts or other

investment-type property producing a yield in excess of the yield on the Bond have been or will be pledged to payment of the Bond. None of the moneys arising from the sale of the Bond will be deposited in the Reserve Fund or any other reserve or replacement fund. The amounts deposited in the Reserve Fund from time to time by the Issuer allocated to the Bond will not exceed the maximum annual principal and interest on the Bond (the "Minimum Reserve") and will not exceed 125% of average annual principal and interest on the Bond. Amounts in the Reserve Fund, not to exceed 10% of the proceeds of the Bond, if invested, will be invested without yield limitation. The establishment of the Reserve Fund with regard to the Bond is required by the Purchaser, is vital to the purchase of the Bond and is reasonably required to assure payments of debt service on the Bond. Principal of and interest on the Bond will be paid directly to the Purchaser from revenues of the System in the Revenue Fund provided for in Article III, Section 3.02 of the Bond Ordinance.

Except as otherwise allowed, investment earnings will be spent within a one year period beginning on the date of receipt and will be credited to the fund on which earned, except with respect to the Reserve Fund after establishment of the Minimum Reserve therein, which investment earnings shall be transferred to the Issuer for deposit in the Revenue Fund and used for prepayment of the principal on the Bond.

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

The Issuer expects that no part of the Project financed with the Bond will be sold prior to the last maturity date of the Bond.

The Issuer has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer that may not certify its bonds or that there is any disqualification of the Issuer because a certification made by the Issuer contains a material misrepresentation.

There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bond, (b) are to be sold pursuant to a common plan of financing together with the Bond and (c) will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds as the Bond.

This certification is being executed and delivered pursuant to Sections 103 and 148 of the Code and the undersigned

Mayor is one of the officers of the Issuer charged by the Issuer with the responsibility of issuing the Bond.

The undersigned Mayor is familiar with the facts, circumstances and estimates herein certified and is duly authorized to execute and deliver this certificate on behalf of the Issuer. This certificate may be relied upon as the certificate of the Issuer.

In the Bond Ordinance pursuant to which the Bond is issued the Issuer has covenanted to not take, or permit or suffer to be taken, any action with respect to proceeds of the Bond which would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. The Issuer has covenanted to not intentionally use of any portion of the proceeds of the issue of the Bond to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Sections 103 and 148 of the Code. The Issuer, in the Bond Ordinance, has further covenanted that it will take all actions that may be required of it so that the interest on the Bond will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions the result of which would adversely affect such exclusion.

The transaction contemplated herein does not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bond is not occurring sooner than otherwise necessary, nor is the Bond in a principal amount greater than otherwise necessary or to be outstanding longer than otherwise necessary.

On the basis of the foregoing, it is not expected that the proceeds of the Bond will be used in a manner that would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

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

To the best of our knowledge, information and belief, the above expectations are reasonable.

20. RATE FILING WITH PSC: Pursuant to West Virginia Code Section 24-2-4b, the Issuer has filed the rates and rules contained in the ordinances authorizing such rates and rules with the Public Service Commission of West Virginia.

21. RELIANCE: The undersigned acknowledge that it is intended that interest on the Bond be exempt from federal income tax in the hands of the owners thereof, that the firm of Steptoe & Johnson is rendering opinions on the date hereof to said effect, and that, in rendering said opinions, said firm is relying, among other things, upon the statements made herein.

WITNESS our signatures and the official corporate seal of CITY OF THOMAS on this 7th day of April, 1988.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Walt J. Linnick

Mayor

Mary F. Buckley

Recorder

J. D. Nichols

Attorney for Issuer

04/06/88
THMSW1-D



ALL-STATE LEGAL SUPPLY CO. ONE COMMERCIAL DRIVE ORANGE JERSEY 07066

ALL-STATE LEGAL SUPPLY CO. ONE COMMERCIAL DRIVE ORANGE JERSEY 07066

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER (304) 624-8183

CHARLESTON OFFICE

715 CHARLESTON NATIONAL PLAZA

P. O. BOX 1588

CHARLESTON, W. VA. 25326

(304) 342-2191

TELECOPIER (304) 342-0726

CHARLESTON

CHARLES W. YEAGER

CARL F. STUCKY, JR.

OTIS L. O'CONNOR

WAYNE A. SINCLAIR

JAMES R. WATSON

DANIEL R. SCHUDA

SPRAGUE W. HAZARD

HERSCHEL H. ROSE III

CHRISTOPHER P. BASTIEN

STEVEN P. MCGOWAN

MARTIN R. SMITH, JR.

W. RANDOLPH FIFE

OF COUNSEL

ROBERT W. LAWSON, JR.

WRITER'S DIRECT DIAL NUMBER

CLARKSBURG

RALPH BOHANNON

ERNEST C. SWIGER

HERBERT G. UNDERWOOD

JACKSON L. ANDERSON

ROBERT G. STEELE

JAMES M. WILSON

PATRICK D. DEEM

ROBERT M. STEPTOE, JR.

ANNE R. WILLIAMS

JAMES D. GRAY

VINCENT A. COLLINS

JAMES A. RUSSELL

FRANK E. SIMMERMAN, JR.

WILLIAM T. BELCHER

MICHAEL L. BRAY

DAVID C. CLOVIS

J. GREG GOODYKOONTZ

IRENE M. KEELEY

EVANS L. KING, JR.

WALTER L. WILLIAMS

SUSAN S. BREWER

RONALD H. HANLAN

C. DAVID MORRISON

HARRY P. WADDELL

CLEMENT D. CARTER III

W. HENRY LAWRENCE IV

WILLIAM E. GALEOTA

GORDON H. COPLAND

RANDALL C. LIGHT

RICHARD M. YURKO, JR.

GARY W. NICKERSON

LOUIS E. ENDERLE

ROBERT J. SCHIAVONI

April 7, 1988

City of Thomas
\$77,000 Water Revenue Bond, Series 1988

City of Thomas
Thomas,
West Virginia

Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Thomas, Tucker County, West Virginia (the "Issuer"), of its \$77,000 Water Revenue Bond, Series 1988, dated the date hereof (the "Bond"), pursuant to Chapter 8, Article 19, of the Official West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance and a supplemental resolution (collectively, the "Bond Legislation") of the Issuer enacted and adopted on April 6, 1988. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with corporate power to enact and adopt the Bond Legislation, perform the agreements on its part contained therein, and issue the Bond.

2. The Bond Legislation has been duly enacted and adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Bond on a parity with the Water Revenue Bonds, Series 1973, of the Issuer dated June 27, 1974, in the original aggregate principal amount of \$79,000, and the Water Revenue Bond, Series 1982, of the Issuer dated August 10, 1982, in the original aggregate principal amount of \$109,000, and other bonds (if any) issued or to be issued under the Bond Legislation, subject to no prior lien granted under the Act.

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

5. The interest on the Bond is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years beginning after December 31, 1989). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bond in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bond. We express no opinion regarding other federal tax consequences arising with respect to the Bond.

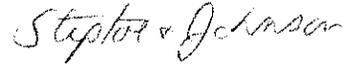
6. The Bond is, under the Act, exempt from taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and interest on the Bond is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Bond and the enforceability of the Bond, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent

City of Thomas
Page 3

constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

A handwritten signature in cursive script that reads "Steptoe & Johnson".

STEPTOE & JOHNSON

04/06/88
THMSWI-M

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER (304) 624-8183

CHARLESTON OFFICE

715 CHARLESTON NATIONAL PLAZA

P. O. BOX 1588

CHARLESTON, W. VA. 25326

(304) 342-2191

TELECOPIER (304) 342-0726

CHARLESTON

CHARLES W. YEAGER
CARL F. STUCKY, JR.
OTIS L. O'CONNOR
WAYNE A. SINCLAIR
JAMES R. WATSON
DANIEL R. SCHUDA
SPRAGUE W. HAZARD
HERSCHEL H. ROSE III
CHRISTOPHER P. BASTIEN
STEVEN P. MCGOWAN
MARTIN R. SMITH, JR.
W. RANDOLPH FIFE

OF COUNSEL
ROBERT W. LAWSON, JR.

WRITER'S DIRECT DIAL NUMBER

CLARKSBURG

RALPH BOHANNON
ERNEST C. SWIGER
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
FRANK E. SIMMERMAN, JR.
WILLIAM T. BELCHER
MICHAEL L. BRAY
DAVID C. CLOVIS
J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
WILLIAM E. GALEOTA
GORDON H. COPLAND
RANDALL C. LIGHT
RICHARD M. YURKO, JR.
GARY W. NICKERSON
LOUIS E. ENDERLE
ROBERT J. SCHIAVONI

April 7, 1988

City of Thomas
\$77,000 Water Revenue Bond, Series 1988

City of Thomas
Thomas,
West Virginia

Gentlemen:

Please refer to our approving legal opinion of even date herewith, as to the above-captioned Bond issue, which opinion is delivered herewith.

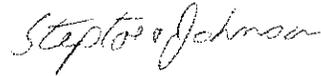
It is our opinion that, based upon the certificate of the Mayor of the City of Thomas (the "Issuer"), of even date herewith, stating facts, estimates and circumstances with reference to arbitrage, the above-captioned Bond (the "Bond") is not an "arbitrage bond" under the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). While we have undertaken no independent investigation or verification of the expectations set forth in said certificate, no matters come to our attention which make unreasonable or incorrect the representations made in said certificate.

The opinion set forth above is subject to the condition that the Issuer comply with all requirements of the Code relating to arbitrage that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements may cause the

City of Thomas
Page 2

inclusion of interest on the Bond in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bond.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Steptoe & Johnson".

STEPTOE & JOHNSON

04/05/88
THMSW1-N



CITY OF THOMAS

Water Revenue Bond, Series 1988

ENGINEER'S CERTIFICATE

I, William D. Swecker, Registered Professional Engineer, West Virginia License No. 5953, of Swecker Engineering & Surveying, Elkins, West Virginia, hereby certify that my firm is engineer for the acquisition and construction of additions, extensions and improvements to the existing waterworks system (the "Project") of the City of Thomas (the "Issuer"), to be acquired and constructed in Tucker County, West Virginia, which construction and acquisition are being financed in part by the above-captioned revenue bond of the Issuer.

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

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

WITNESS my signature on this 7th day of April, 1988.

SWECKER ENGINEERING & SURVEYING

By William D. Swecker

04/05/88
THMSW1-C



ENROLLED BILL

(S. B. No. 13)

(Passed April 17, 1925; effective from passage.)

AN ACT to create the municipal corporation of "The City of Thomas," in the county of Tucker, defining the powers thereof, and describing the limits of said city, and to grant a charter thereto.

Be it enacted by the Legislature of West Virginia:

Section 1. That the inhabitants of that portion of the county of Tucker, in the state of West Virginia, within the boundary of the description in the next succeeding section of this act, be and they are hereby made and created a municipal corporation by the name of the City of Thomas, by which name they shall have perpetual succession and a common seal, and by which name they may sue and be sued, plead and be impleaded, contract and be contracted with, and purchase, or otherwise acquire and hold real estate and personal property needed in the discharge of the functions of government conferred by law and the provisions of this act.

Sec. 2. The corporate boundaries of the said city shall be as follows, that is to say:

Beginning at a large hemlock (now concrete stone) southwest of the school house known as "Thomas schoolhouse;" thence south sixty degrees, east one hundred and twenty-two poles to a hemlock with beech and spruce pointers, (now concrete stone) north thirty degrees, east three hundred and fifty-three poles to a stake with hemlock, beech and spruce pointers (now concrete stone); thence north sixty degrees, west one hundred and twenty-two poles to a bunch of May cherries, (now concrete stone), two poles West Virginia Central railroad (now Western Maryland railroad); thence south thirty degrees, west three hundred and fifty-three poles to the beginning, crossing the North fork of the Flackwater river at fifteen poles and re-crossing the same again at three hundred and fifteen poles.

Sec. 3. The territory of said city is hereby divided into two wards, as follows:

First Ward: All the territory within said city lying north of First street, and northwest of the main line of the Western Maryland railroad to the corporation line below the Western Maryland depot.

Second Ward: Lying south of First street, and southeast of the main line of the Western Maryland railroad.

The common council may reduce or increase the number of wards

and change the boundaries thereof, always having due regard to population.

The common council shall designate and provide a voting place in each ward.

OFFICERS

Sec. 4. The officers of the city shall be a mayor, clerk, a solicitor, an assessor, a treasurer, two councilmen from each ward, a councilman at large, a chief of police who may at the discretion of the council be also appointed ex-officio collector; and if said chief of police is not appointed ex-officio collector, a collector is to be appointed, and the council shall have the authority to appoint a city commissioner if, within their judgment, the appointment is necessary to the welfare of the city.

The chief of police, the treasurer, the assessor, the solicitor, and the city commissioner shall be appointed by the city council. No person shall be eligible to any elective office unless he or she is a qualified voter of said city, nor unless he or she has resided therein for at least three months next before the election, (and in case of councilman from one of the wards unless he is a bona fide resident of the ward from which he is elected and was assessed with and paid the tax on either real or personal property that had an assessed valuation of three hundred dollars or more, and the removal of a councilman from a ward in which he was elected in said city or his ceasing to pay tax on an assessed valuation of not less than three hundred dollars real or personal property, shall vacate his office) and no person shall be eligible to be appointed to any city office unless he is a qualified voter thereof.

Sec. 5. The municipal authorities of said city shall consist of the mayor, five councilmen and the clerk, who together shall form a common council, and all the corporate powers of said city shall be exercised by said council, or under its authority, except where otherwise provided.

ELECTIONS

Sec. 6. Elections shall be conducted under the general laws. The first election held hereunder shall be on the first Tuesday in February, one hundred and twenty-six, and biennially thereafter as hereinafter provided. Every person who has been a bona fide resident of the city for three months next preceded any election, and otherwise a qualified voter under the constitution and laws of this state, shall be entitled to vote at such election in the ward in which he or she resides.

The election shall be held, conducted and the results thereof be ascertained, returned and determined under such rules and regulations as may be prescribed by the council which shall not be inconsistent with the general laws of the

state government or municipal elections, and shall conform as nearly as practical to such laws. Contested elections shall be heard and decided by council, and the proceedings therein shall conform as nearly as may be to similar proceedings in the case of the county and district officers. The council shall be judge of the election, returns and qualifications of its own members. In case two or more persons receive an equal number of votes for the same office, if such number be the highest cast for such office, the city council shall decide by vote which of them shall be returned elected, and shall make their return accordingly.

AMENDED, PAGE 214
city ordinances

FIRST ELECTION BIENNIAL THEREAFTER

Sec. 7. On the first Tuesday in February, one thousand nine hundred and twenty-six, there shall be elected by the qualified voters of said city a mayor, and clerk and one councilman at large and by the qualified voters of each ward two councilmen. The term of office of the mayor, clerk, and councilman at large shall be for a period of two years commencing on the first Monday in March, one thousand nine hundred and twenty-six, and until their successors shall be elected and qualified. The term of office of the councilman from each ward receiving the greatest number of votes shall be for a period of four years commencing on the first Monday in March, one thousand nine hundred and twenty-six, and until their successors shall be elected and qualified. The term of office of the councilman from each ward receiving the next highest number of votes shall be for a period of two years, commencing on the first Monday in March, one thousand nine hundred and twenty-six and until their successors shall be elected and qualified.

And on the first Tuesday in February, one thousand nine hundred and twenty-eight, and every two years thereafter there shall be elected by the qualified voters of said city, a mayor, clerk, and one councilman-at-large whose term of office shall be two years as aforesaid, and by the qualified voters of each ward one councilman whose term of office shall be four years as aforesaid.

All of the other officers provided for in this act may be appointed to hold and discharge the duties of more than one of said offices. The same person shall not be eligible for a second appointment unless he shall have fully settled up all business of his former term or terms.

Sec. 8. Every person elected or appointed to any office in said city shall, within twenty days after his election, or appointment, and before entering upon the discharge of the duties thereof, take and subscribe the oath of office prescribed by law for officers generally, which may be done before the mayor, or clerk of said city or also before any person authorized by law to administer oaths, and the same, together with the certificate of the officer administering the oath shall be filed with the clerk of said city and preserved by him. And if a bond be required by said officer he shall likewise give such bond and with such surety and in such penalty as the council may fix, and to be approved by the council before he shall assume duties of the office to which he is appointed or elected.

Sec. 9. The council shall prescribe the powers and define the duties of all officers by it appointed, except so far as the same are by this act defined; shall fix their compensation, and may require and take from them respectively bonds payable to the city in its corporate name, with such securities and in such penalties as may be deemed proper, conditioned for the faithful performance of their duties.

Sec. 10. The council shall require and take from all officers elected or appointed as aforesaid, whose duty it shall be to receive funds, assets or property belonging to the city, or having charge of the same, such bonds, obligations or other writings as may be deemed necessary and proper to secure the faithful performance of their several duties. All bonds, obligations or other writings taken in pursuance of any of the provisions of this act shall be made payable to The City of Thomas, with such sureties and in such penalties as may be deemed proper, conditioned for the faithful performance of their duties and for the accounting and paying over as required by law, all moneys coming into their hands by virtue of their offices, and the respective persons and their heirs, executors and assigns bound thereby, shall be subject to the same proceedings on said bonds, obligations and other writings, for enforcing the conditions of the terms thereof, by motion or otherwise, before any court of competent jurisdiction, held in and for the county of Tucker, that collectors of county levies and other sureties are, or shall be subject to, on their bonds for enforcing the payment of the county levies.

Sec. 11. The council shall have the authority to remove from office any elective officer of the city for misconduct, drunkenness or neglect of duty, by an affirmative vote of five of the members of the council but only after reasonable notice to such officer, and a hearing of the charges preferred; and any vacancy in office, however occasioned, may be filled by the council for the unexpired term.

Sec. 12. The council shall fix the place and time for holding its regular meetings; may provide for special and adjourned meetings; shall have power to compel the attendance of its members; and may prescribe rules and regulations not inconsistent herewith, for the transaction of business and for its own guidance and government. The council shall be presided over at its meetings by the mayor, or in his absence, by the clerk, or in the absence of both mayor and clerk, then one of the councilmen selected by a majority of the councilmen present. A majority of the council elected shall be necessary to constitute a quorum for the transaction of business. No member of the council shall vote upon, or take part in the consideration of any proposition in which he is, or may be interested otherwise than as a resident of said city.

Sec. 13. The council shall cause to be kept by the clerk in a well-bound book to be called the minute book, and accurate record of all its proceedings, ordinances, acts, orders and resolutions, and in another to be called the ordinance book, accurate copies of all the ordinances adopted by the

council, both of which shall be fully indexed and open to the inspection of any one required to pay taxes to the city or who may be otherwise interested. All oaths and bonds of officers of the city and all papers of the council shall be endorsed, filed and securely kept by the clerk, except the bond of the clerk which shall be filed with the mayor. All printed copies of such ordinances purporting to be published under authority of the council, and transcripts of such ordinances, acts, orders and resolutions, certified by the clerk under the seal of the city, shall be deemed prima facie correct, when sought to be used as evidence in any court or before any justice.

Sec. 14. At each meeting of the council, the proceedings of the last meeting shall be read, and if erroneous, corrected and signed by the presiding officer for the time being. Upon the call of any member, the yeas and nays on any question shall be taken and recorded in the minute book.

Sec. 15. No ordinance or by-law, and no resolution or measure for the expenditure of money other than to defray the current and incidental expenses of the city, shall be deemed passed or adopted unless it shall have been fully read at two consecutive meetings of the council, and shall have received a majority of the votes of members present, when it shall stand and be declared adopted, and not otherwise.

Sec. 16. The council of said city shall have the following general powers enumerated in the subdivisions of this section as follows:

(1) To lay off, open, close, vacate or maintain public grounds, parks, public places, name and re-name the same, to have control and supervision thereover, to protect the same from damage or other injury by persons or property, to fix fines and punishments for any injury thereto in violation of any of the orders of said council, and to maintain good order and prevent violations of the ordinances of said city therein or thereon.

(2) To establish, maintain and regulate free public libraries and reading rooms, and to purchase books, papers, maps, manuscripts and other proper things therefor, to receive donations and bequests of money or property for the same, in trust or otherwise, and to pay the necessary expenses for establishing, maintaining and regulating the same out of the funds for general purposes; provided, such expenditure shall not exceed one hundred dollars per annum unless by a unanimous vote of all the members of the council.

(3) To protect divine worship within the limits of said city, and to fix fines and punishment for disturbance of any assemblage of people, then and there, met for the worship of God, to prohibit any interference with or disturbance of divine worship of God, to prohibit any interference with or disturbance of divine worship or an assemblage of people met together for the worship of God by any person or persons loitering

about the premises or places where such worship is being had or such assemblage is met, or from loitering in the public streets or public places adjacent thereto in such manner as to interrupt such worship.

(4) To acquire either by purchase, condemnation or any other modes provided by general law, ground within said city for such streets and alleys as the council may deem proper; to locate, lay off, vacate, close, open, alter, grade, straighten, widen, narrow, pave or re-pave, construct and keep in good repair, the roads, streets, alleys, pavements, sidewalks, crosswalks, drains, viaducts and gutters therein, and such bridges as may be owned or built by the said city, for the use of the public or of any of the citizens thereof, and to improve and light the same and to keep the same free from obstruction of every kind and clean; provided the municipality shall not be liable for, or responsible in, damages for injuries to persons or property caused by or from any defect or obstruction in or on any street or alley within said city, that has been or may be taken over by the state road commission, under and by virtue of the laws of this state; nor shall said municipality be liable in damages for injuries to persons or property caused by or from a defect or obstruction in or on the plot of ground between the gutter or curb of any street and the paved or plank sidewalks extending there along or between any such sidewalks and the property lying next adjacent thereto, unless the municipality had actual notice of such defect or obstruction prior to the time of the injury complained of; and, provided, further, that where said city shall be required to respond in damages by reason of injury to persons or property occasioned by the failure of any abutting owner to so provide or keep in repair any sidewalk along such property, after being notified by the council so to do, that such property owner shall be liable to the city for any sum of money, costs and counsel fees which it has been required to pay by reason thereof.

(5) To regulate the width of sidewalks and the streets and the width and the care of the public grounds or grass plots abutting thereon, and to order the sidewalks, footways, crossways, drains and gutters to be curbed, paved, or re-paved and kept in good order, free and clean, and to provide for the removal of snow and ice therefrom, and for sprinkling the same by the owners or occupants of the real property next adjacent thereto, and to provide and enforce punishments for obstructing, injuring, or preventing the free and proper use thereof, and to provide and enforce fines and penalties for throwing therein or thereon any paper, glass, rubbish, decaying substances or other things that would make said streets, sidewalks, grass plots, cross-walks, drains, or gutters unsightly or unhealthy.

(6) To regulate the use of the walks, highways, bridges, streets, alleys and gutters and the rate of speed of travel thereon, and to prevent and punish for fast riding or driving thereon of any horse, bicycle, wheeled vehicle, wagon, steam or electric or traction engine, motor car or automobile, and to prevent injury to such streets, alleys, roads and highways

from overloaded or improperly loaded vehicles, and from dragging logs or other matter therein, and to regulate the speed of engines or trains or streetcars upon or across any such streets, alleys, highways, bridges, public places or any such place where the council deems the public safety requires such regulation.

(7) To regulate the planting, trimming, and preservation of shade trees, by persons and by corporations, in streets, alleys, roads, public grounds and places, and shall require the owner of adjacent property to trim or remove any shade trees or ornamental shrubbery or other tree that in the opinion of the council is an obstruction to the streets, alleys, or sidewalks, or a menace to public safety.

(8) The council shall have the right to require the owner or occupier of any property in the city to keep his premises clean and free from all matters that would endanger the health of the city, and may require the removal of any waste paper or waste material of any kind or character upon the private property of any citizen or property owner that would cause the spread of fire or when the council deems the same should be removed; and may require the removal or straightening of any fence, wire, pailings, or other material enclosing any lot, when, in the opinion of the council, the same is dangerous or obstructs or encroaches upon the streets, alleys, or sidewalks; provided, that in all cases, if the owner or occupier of such property fails to do any of the things enumerated in this section required by the council, after notice by the council, the council may take such action as may be necessary to perform such acts and the expense thereof shall be charged to the property owner and collected as taxes are collected.

(9) To regulate the making of division fences of an unsightly nature and party walls by the owners of adjoining and adjacent premises and lots, insofar as the same shall not be in conflict with general law.

(10) To regulate or require drainage by the owner or occupier of any lot or other real estate, by proper drains, ditches, and sewers, and to require the owner or occupier of any lot to fill the same, at his own expense, so that water will not collect in a body thereon, or so the same will not become a menace to public health.

(11) To regulate or prohibit street carnivals, or street fairs, or street parades, advertising exhibition, or other exhibitions thereon, or the exhibition of goods, wares, merchandise, material or artificial curiosities upon any street, sidewalk, alley or public place of the said town.

(12) To regulate or prohibit the ringing of bells, blowing of steam whistles, or use of hand-organs, or other instruments of an annoying nature, or other music of itinerant performers in the streets, or public speaking and preaching in the streets, roads, parks, or public places of the municipality.

(13) To license, regulate or prohibit auctioneering.

(14) To license, regulate or prohibit the sale of goods, wares, merchandise, drugs or medicines on the streets or other public places.

(15) To prevent the illegal sale, offering or exposing for sale or advertising of spiritous liquors, wine, porter, ale, beer, or drinks of a like nature.

(16) To prevent the illegal sale of tobacco, cigars, snuff, or cigarettes, within said municipality, and to prevent the smoking, by any person under twenty-one years of age, of any cigarette, in any public building, or upon any public grounds, street, alley, sidewalk, or public place within said city, and to fix fines and punishments for violations thereof.

(17) To regulate, control or prohibit runners for hotels, boarding houses and eating houses, and to regulate draymen or persons hauling or transporting for hire at and about the railroad depots and stations and other public places and in an assemblage of people within the said city.

(18) To regulate, assess and collect a license fee for the said city for the doing of anything or business on which a state license is required, subject to the exceptions provided by general law.

(19) To provide, assess and collect a license tax from residents in said city who own and operate or run an automobile therein, or from any person, whether a resident of said city or not, who shall run or operate an automobile in said city for hire, or keep the same for hire within said city; provided, that any person, not a resident of said city, who shall run or operate an automobile in said city, not for hire, for a longer period than one month at any time, shall be liable to pay the license tax assessed against resident automobile owners.

(20) To establish, when the council may deem proper, locate, and keep in repair, market places, market houses, and regulate markets, prescribe the time for holding the same, to authorize the seizure thereof and destruction of any and all such foods and drink products, as shall be found unwholesome, dangerous or offensive, and without recourse against the municipality for its cost or value.

(21) To regulate the sale of food and drink products, milk, fresh meats, fish and vegetables, and to provide penalties for the sale of any such that are unwholesome or unfit for use.

(22) To regulate and provide for the weighting of hay, coal and other articles for sale in the markets, or to residents of said city.

(23) To require the merchants and other persons selling

goods, foods or materials that must be weighed, to keep correct scales, to seize and destroy such as may be found to be incorrect, and not corrected after due and proper notice to the owner or person using the same, without damage or ~~284-~~ ~~194~~ expense to the municipality for the value thereof.

(24) To prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome.

(25) To regulate the keeping, handling and transportation of explosives and dangerous combustibles within the municipality; and to regulate or prohibit the use of firecrackers, sky-rockets, toy pistols, air rifles or guns, within the said municipality.

(26) To regulate or prohibit the erection or operation, or maintenance in what the council deems an improper locality within said city, any blacksmith shop, livery stable, barn, stable, cattle pen, poultry house, pig pen, privy, bill board, sign board, gas or other engine, coal mine, coal plant, or coal bin, or any other thing that may in the opinion of the council be a menace to persons or property or public safety, or that would injure private property or annoy citizens of said city.

(27) To regulate or prohibit the use of walls or walks for signs; to regulate or prevent the distribution or posting of any sign, bill or other paper that, in the opinion of the council or mayor, is indecent or immoral.

(28) To define by ordinance what shall constitute a nuisance, and to abate all nuisances, whether defined or not, and to require the removal or abatement of any building, obnoxious business, sign board, bill board, signs, or other thing, which in the opinion of the council is a nuisance.

(29) To regulate or prohibit the distribution of hand bills, circulars and other advertisements of like kind, on the streets, roads, alleys and public places, or the placing of same in private yards, building or other structures, without having first procured the consent of the owner or occupier of such property.

(30) To regulate or prohibit within the municipality or within one mile of its corporate limits, the erection or maintenance of any slaughter house, soap factory, glue factory, lamp black factory, tannery or other house, shop or factory of like kind or character.

(31) To establish within said municipality public drinking fountains and water troughs; and to regulate the time and place and manner of bathing in pools, streams and public waters within the police jurisdiction of said municipal corporation.

(32) To prevent hogs, cattle, sheep, horses, and other animals and fowls of all kinds, from going at large in the municipality; and to establish and maintain places for their

detention, make regulations respecting the same, appoint a pound master and define his duties and provide for the sale of such property impounded.

(33) To arrest, convict and punish any person for committing adultery or fornication, or for any lewd or lascivious cohabitation within said city, and for keeping an assignation house, house of ill fame, or for leasing or letting to any such, or knowingly permitting any house, under the control or owned by any person, to be used as an assignation house or house of ill fame; and to convict and punish for frequenting, entering or loitering in any assignation house or house of ill fame within said municipality.

(34) To arrest, convict and punish any person for importing, printing, publishing, selling, giving away, exhibiting or distributing any book, picture or device, or other thing containing any obscene picture or language, or making any indecent representation.

(35) To restrain, convict and punish vagrants, mendicants, beggars, tramps, common prostitutes, and their associates, and drunken or disorderly persons within the municipality, and to provide for their arrest and manner of punishment.

(36) To prevent and prohibit the use of indecent or profane language within the corporate limits, and to provide and fix punishment therefor.

(37) To prevent and prohibit any tumult, riot, quarrel, angry contention, or abusive language, and to prevent the use of insulting epithets, assaults, assault and battery, and fix fines and punishments therefor.

(38) To prevent and prohibit trespass upon private property or the doing of anything which would annoy the owner or occupier of any premises, and to fix and provide fines and punishments therefor.

(39) To provide against danger or damages by fire, and to that end, to require, when the council may think necessary, an inspection of all the properties within the said city, and to require the owner or occupier of any property in which a defective or dangerous chimney or flue is found, to immediately repair the same, and to prevent the use thereof until repaired as required.

(40) To prohibit and prevent intoxication or drunkenness, and the drinking of any intoxicants in any public place, store, street, or alley, and to fix fines and penalties therefor.

(41) To prohibit and punish for larceny where the amount stolen is less than twenty dollars.

(42) To prohibit, prevent, and punish for anything that is against the good morals and common decency, and that would

tend to corruption, vice or crime.

(43) To protect the public schools in said city, and to prohibit and prevent any disturbance thereof in and about the buildings or upon the grounds, and to prevent injury, destruction or defacement of any school property or building.

(44) To establish a board of health and vest it with the necessary power to maintain its object, and to fix fines and penalties for any violation of its lawful orders.

(45) To establish quarantine, and to erect and maintain pest houses and places of detention, and to make and enforce necessary orders for controlling or preventing the spread of infectious and contagious diseases, and for abating pestilences.

(46) To prohibit the bringing into the corporate limits by railroads, carriers, persons, or in any manner, persons who are paupers or persons who are afflicted with contagious diseases; and to punish by fine and imprisonment, or both, any person who shall bring into the corporate limits any such pauper or person afflicted with contagious diseases, knowing or having reason to believe at any time, that any such person is a pauper or afflicted with contagious diseases, knowingly to collect and recover from any such railroad company, carrier, or other person, the expense of keeping and maintaining such pauper or diseased person, until such person can be lawfully removed from the corporate limits.

(47) To provide for the poor of the municipality, and to that end, the municipality may contract with the county court of Tucker county, for the keeping of such poor person, or any number of them, at the county poor house, at a price and on such terms as may be agreed upon between the county court and the proper municipal authorities.

(48) To authorize the taking up and providing for the maintenance and safe keeping, and educating of (for such period as may be deemed expedient) all children within said city who are destitute of proper parental and other care.

(49) To arrest, convict and punish any person for cruelty, unnecessarily beating, torturing, mutilating, killing, or overloading, or overdriving, or wilfully depriving necessary sustenance, any horse or other domestic animal.

(50) To regulate the hitching of horses within the corporate limits, and the driving of cows and cattle through, upon and along the streets and alleys of the said city.

(51) To prohibit, prevent and punish for the pollution of any stream of water running into or through the said municipality; and to prohibit and prevent the throwing into any stream of any trash, dirt, filth, offal, decayed substances or matters, or anything that would make said water unhealthy or unfit for domestic use.

(52) To prohibit, prevent and punish for any desecration

of the Sabbath day; prohibit the playing any game, exhibiting any show, theatre, picture show, and the keeping open of business places, except hotels, eating houses, boarding houses, restaurants, drug stores and places where ice cream or soft drinks are furnished.

(53) To restrain, prevent and punish fraudulent practices of any kind or character within the municipality.

(54) To arrest, convict and punish any person for gambling or keeping any gaming table, commonly called faro bank, or table and chips used in playing such game, crap, crap table, chips or dice used in playing such game; or roulette or the wheel, chips, or other equipment used in playing such game; or keno table or table of like kind or device used in playing the same; or table of like kind under any denomination, whether the game or games be played with cards, dice, or otherwise on which anything is bet or wagered, whether the same be played in any public or private room of residence; and may convict and punish any person who shall be a partner or concerned in interest in the keeping of any such gambling devices heretofore enumerated, or in any game played, such as is prohibited hereby, or in keeping or maintaining any gambling house or place of gambling for money or anything of value; and shall have the right to destroy such gambling paraphernalia as may be found in use on any such premises; and any officer armed with a warrant for the arrest of any person engaged in any such unlawful game or for the search of any room in which gambling is suspected, or for the seizure of any gambling paraphernalia, shall have the right to break into any building, other than a private dwelling or room, after demand and refusal to open same, to execute any such warrant.

(55) To restrain all felons and persons guilty of offenses against this state or the United States, and deliver them over to the authorities or court having jurisdiction of the offense whereof such person is accused.

(56) To apprehend and punish any person who, without a state license therefor, is guilty of carrying about his person, within the municipality, any revolver or other pistol, dirk, bowie knife, sling shot, razor, billy, metallic or other false knuckle, or any other dangerous or deadly weapons of like kind and character, as provided by chapter fifty-one of the acts of the legislature of one thousand nine hundred and nine, or any amendment thereof, and the punishment therefor, whether for the first or other offenses, shall be that prescribed by said chapter for any such person guilty under the misdemeanor clause provided therein; provided, that the mayor acting as ex-officio justice of the peace, may, after enforcing this ordinance, hold such offender to answer to an indictment in the circuit court of Tucker county for such offense, under the state law.

(57) To regulate the erection, construction, alteration and repair of dwelling houses, buildings and other structures, within the municipality, to issue permits therefor, and to compel the numbering of such houses and buildings by the owners and occupants thereof; and to prescribe by ordinance

the distance which dwelling houses, and other structures in resident districts shall be set back from the sidewalk.

(58) To regulate the hanging of doors, the construction of stairways and elevators, and require fire escapes in theatres, churches school buildings, factories and other places deemed necessary by the council.

(59) To establish fire limits and to regulate the construction of buildings, and designate materials to be used in the construction of buildings within such limits.

(60) To regulate the building of fire walls, fire places, chimneys, boilers, smoke stacks, stove pipes, and the burning of waste paper, trash or other waste matter, in the corporate limits.

(61) To require any building that, in the opinion of the council, is dangerous, to be repaired, altered, or removed by the owners thereof, or put in a safe condition, such as the council may approve, at the expense of such owner or occupier, and to provide punishments for failure to comply with any order of the council concerning same.

(62) To regulate the height, construction and inspection of all new buildings thereafter erected, the alteration and repair of any buildings now or hereafter erected, to require permits to be obtained of the council therefor, and the submission of plans and specifications to the council for its approval; to regulate the limits within which it shall be lawful to erect any steps, porticos, bay windows, awnings, signs, columns, piers, or other projection or structural ornaments of any kind for the houses or buildings on any street or alley.

(63) To provide for the extinguishing and prevention of fires, and for this purpose, the council may equip and govern fire companies, prescribe the powers and duties of such companies and departments, and of the several officers thereof, or may authorize volunteer fire companies, under such rules and regulations as the council may prescribe, and impose on those who fail to obey any lawful command of the officer in charge of any such company, or volunteer company, any penalty which the council is authorized to impose for violation of an ordinance, and to give authority to any such fire officer to direct the pulling down or destruction of any building, fence, wall or other thing, if such officer deem it necessary to prevent the spreading of any fire which is being extinguished under the direction of such officer, and without any liability on the municipality for damages therefor.

(64) To protect the persons and property within the corporate limits and preserve the peace and good order therein, and for the purpose, to appoint, when necessary, a police force and such other officers as may be deemed necessary; and to provide a lockup, jail or other suitable place to confine persons sentenced to imprisonment for violation of the ordinances of said city; provided, however, that the jail of Tucker county may be used for that purpose, if authorized by the county

court of said county.

(65) To require any person violating any of the ordinances of said city, or any order for which a fine, imprisonment or both is imposed, to work upon the streets of said city in case of non-payment of said fine, until the same is paid by such labor, or in case imprisonment is imposed to work upon the streets of said city during the term of such imprisonment in addition to the payment of such fine, under such regulations as the council may prescribe.

(66) To prescribe the powers, define the duties of the officers appointed under the corporate authority, fix their terms of service and compensation, if not otherwise prescribed by this charter, and to acquire and take from them bonds, when deemed necessary, payable to the state of West Virginia, of the city of Thomas, with the sureties, and in such penalties as may be prescribed, conditioned, for the faithful discharge of their respective duties; provided, that the compensation of any officer, elected or appointed, shall not be increased nor diminished during the time for which he is elected or appointed, unless due notice of such intention is first served on the officer interested.

(67) To make regulations with respect to, and have supervision and control over the erection, removal and relocation of all telephone, telegraph, electric light or other poles within said city, and the extension of wires, lines or poles by any individuals or corporations.

(68) To grant and regulate all franchises in, upon, over and under the streets, alleys and public ways of said city, under such restrictions as shall be provided by ordinances and general law; but no exclusive franchise shall be granted by said city council to any individual or corporation; nor shall any franchise be granted for a longer period than fifty years.

(69) To acquire, erect or authorize or prohibit the erection of gas works, electric light works, or water works within the city limits; to prevent injury to such works or the pollution of any gas or water used or intended to be used by the public or individuals; and to do all things necessary to adequately supply said city and the inhabitants thereof with pure, healthful and wholesome water; to use, generate, distribute, sell and control electricity and gas for heat, light and power, and to furnish light for the streets, highways, buildings, stores, and other places in and about said city.

(70) To prevent injury to any gas works, electric light works, water system or any gas meter or meters within said municipality.

(71) The council shall have the right to require of any water company or person furnishing water for the use of the inhabitants of said city, for hire, compensation or reward, to obey any order of the council

with respect to keeping the reservoir or other source from which said water is furnished, free from filth and in a good, clean condition, and may require said water company to properly filter the water distributed for use, and may require said company to put in such lines as may be necessary to pump the said water into the reservoir or other receptacle therefor, without pumping the same into the main distributing lines, or in any other way or manner effecting them; and may fix fines and penalties for any failure on the part of any corporation, company or other person distributing water, to obey any order of the council or any authorized officer of the town, respecting the same, or any ordinance that may be enacted by the council relative thereto.

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

(73) The council shall have the right to provide a sewerage system for said city, and may require the owner of any property abutting upon any street or alley in which a sewer has been laid or placed, to connect a sewer leading from his or her property or lot into any public sewer which is located in such street or alley adjoining same, and if the owner or occupier of said lot or property fails or refuses so to do, after having been given a reasonable notice, the council may enter upon such lot and construct such sewers, and may levy the actual cost thereof against the lot upon which the same is built and collect such costs from the owner of such lot in the same manner as city or state taxes are collected; in addition thereto, the council may punish by fine, or fine and imprisonment, any person who permits any drainage from his residence or lot to enter upon any street or upon any property after a sewer has been placed in a street or alley adjacent to his property to which he should connect, after notice has been given to him by the council to make such connection.

(74) The council shall have the right to impose fines and penalties for any interference with or destruction of the sewer system or any part thereof in said city, or for the destruction of or damage to any street, alley or sidewalk in said city, or any improper use thereof; it shall have the right to regulate or prevent the use of the sidewalk for bicycles, pushcarts, sleds, tricycles, roller skates and other things of like character and to fix fines and penalties for violation of the ordinances respecting same.

(75) To grant by ordinance or resolution permits for the temporary use of such parts of its streets, roads, alleys and public places as the council may deem proper and right to be used in the construction, alteration or repair of buildings located thereon, or for such other purposes as the council may deem proper and right, and under such regulations and for such time as the council may prescribe.

(76) The council may buy, lease and operate either within or without the municipality, stone quarries, crushers and land for said purposes or for the purpose of furnishing a supply of stone or other material suitable for macadamizing or paving the streets, sidewalks and alleys, and improving public property.

(77) Whenever in the opinion of the council it is necessary that any sidewalk be built or repaired, it shall first have a competent engineer fix a grade line for such sidewalk and shall then, by order of council, name the character of material out of which same is to be built, and fix the width thereof, and put in such curbing as the council may deem necessary, and shall then give notice, in writing, to the owner or occupier of said lot, if he be found, and if he be not found, by posting a notice thereof upon the said lot and at the front door of the court house of Tucker county for at least ten days, requiring the construction of said sidewalk in accordance with the requirements of the council, and upon the grade fixed by the said engineer, and if such sidewalk be not built, altered or repaired within twenty days after such notice is first given or posted, the council shall proceed to put in the same under its supervision and control, and shall charge the expense thereof against the property along which the same is being placed, altered or repaired, and shall cause an itemized account of the same to be made up and delivered to such property owner or occupier of such premises, if found, and if he be not found, have the same recorded in the county clerk's office of Tucker county, and the same shall constitute a lien upon the said lot or property and shall be collected as other taxes are collected; provided, nothing herein contained shall prevent the council from requiring immediate repair of such sidewalks now or hereafter constructed that may become dangerous, and after notice to the property owner along which the same run, the council may make such immediate repairs, if the property owner fails to make same after such notice, and the expense thereof shall be a lien in the manner aforesaid.

(78) The council shall have the right, when, in its opinion, it is necessary or proper to do so, to pave any street or alley of said city, and to prescribe the materials to be used in such paving and to charge one-third thereof out of the total costs of preparing and paving the said streets to the adjacent property owners on each side of the said street or alley, and to pay one-third thereof out of such funds as the council may provide, but such paving shall be done and such assessments and charges made against the property owner as provided by chapter eight of the acts of the legislature of one thousand nine hundred and eight, and any amendments thereto,

or hereafter de.

(79) To operate by ordinance such committees or boards, and delegate such authority thereto as may be deemed necessary or advisable by the council; and to employ such legal counsel on behalf of the city, from time to time, as the city may deem necessary to protect the interests of the city.

(80) To provide for the annual assessment of the taxable property in said city, including dogs kept in said city, and to provide a revenue for said city for municipal purposes and appropriate such revenue to its expenses; provided, nothing hereinafter contained shall require the council to keep in repair and maintain bridge or bridges within said corporation, nor or hereafter owned by the county of Tucker, but the officers of said corporation in the preservation of law and order shall have jurisdiction over any such bridges within such corporation; provided, further, that the police regulations as may be ordained by said city, and the right and power to enforce the same shall extend one mile to the state of West Virginia beyond the corporate limits of said city.

(81) The council may, within any prescribed area, prohibit the erection on any street or in any square, of any building, or of any addition to any building more than ten feet high, unless the outer walls thereof be made of brick and mortar or other fire-proof material. And may require the removal of any building or addition which shall be hereafter erected contrary to this prohibition, at the expense of the owner or owners thereof.

(82) The council shall keep all roads, streets and alleys within its limits passable and in good repair, and may provide the expenses therefor by a direct taxation, as provided under this charter, or in any other manner authorized by law; and the residents of said city who are taxed therein for the purpose of maintaining such streets and alleys shall be exempt from the payment of any county road tax.

(83) In the enforcement of the ordinances, orders, rules, regulations and laws of the said city, no fine shall be imposed exceeding five hundred dollars, and no person shall be imprisoned or compelled to labor on the streets of said city, as aforesaid, exceeding six months; provided, that any violation of the prohibition, or liquor laws of this state shall be punished by the fines and penalties herein prescribed; and violations of the road law or automobile laws, may be punished by the fines and penalties prescribed by general law, unless different fines and penalties are expressly prescribed by the ordinances of said city. And in all cases where a fine is imposed for an amount exceeding ten dollars, or a person be imprisoned or compelled to labor as aforesaid, an appeal may be taken from such decision upon the same terms and conditions that appeals are taken from the judgment of a justice of this state; and in no case shall a fine of less than ten dollars be imposed where the ordinance prescribes a fine, if the defendant requests that such fine be made at least ten dollars for the purpose of appeal.

(84) The Council shall have the right to enforce the ordinances of said city. And in all cases where a fine is imposed for an amount exceeding ten dollars, or a person be imprisoned or compelled to labor as aforesaid, an appeal may be taken from such decision upon the same terms and conditions that appeals are taken from the judgment of a justice of this state; and in no case shall a fine of less than ten dollars be imposed where the ordinance prescribes a fine, if the defendant requests that such fine be made at least ten dollars for the purpose of appeal.

(85) The council shall have the right to enforce the attendance of its members at all regular meetings and at all special meetings of which such members have notice, and may cause the arrest and punishment, by fine or fine and imprisonment, of any such member who refuses to attend and take part in its proceedings.

(86) It shall be the express duty of the council to present charges against any of its members, or any officer of the city, who fails to perform, or who does not promptly and diligently perform any duty prescribed by this act, or by any ordinance or resolution of the council, and upon hearing thereof before the council, after notice to such officer, he shall be removed from office by the council, if the charges be found correct.

Sec. 17. Franchises may be granted by the city council to persons or corporations allowing such occupancy of portions of the streets and alleys, as may be necessary for works of public utility and service, but no such franchise shall hereafter be granted except under the following restrictions and conditions: No ordinance shall be passed granting any franchise for the use of any of the streets or alleys of the city for any of the purposes named, until the same shall have been filed with clerk at least thirty days prior to the time when it is to be acted upon by council, and notice of such application, stating the object of such franchise and when the same shall be considered by the council, shall have been given thirty days notice, in some newspaper of general circulation published in the city.

Nor shall such franchise be granted within thirty days after the application has been filed, nor until an opportunity has been given any citizen or corporation, interested in the granting or refusing of said franchise to be heard.

Nor shall any franchise be hereafter granted by council for a longer period than fifty years; provided, that council shall have the power to renew any such franchise for the term of fifty years when the same shall have expired. No franchise hereafter granted for a longer period than fifty years shall be of any force or validity. No grant of any such franchise shall be made unless at the time of making it, the grantee, its successors or assigns, shall indemnify the city against all damages caused by the construction of such works.

If any corporation, or person to whom a franchise has been heretofore or may hereafter be granted, or their succ-

essors or assigns, shall fail to comply with the conditions of the ordinance granting such franchise within one year from the time said conditions are directed to be performed, said franchise shall be and the same become null and void.

Sec. 18. To carry into effect these enumerated powers and all others by this act or general law conferred, or which may hereafter be conferred upon the said city or its council or any of its officers, the said council shall have and possess full authority to make, pass and adopt all needful ordinances, by-laws, orders and resolutions not repugnant to the constitution and laws of the United States or of this state; and to enforce any or all of such ordinances, by-laws, orders or resolutions by prescribing for a violation thereof, fines and penalties and imprisonment, in either the county jail of Tucker County or the city prison, if there be one, but no sentence shall exceed ninety days. Such fines and penalties shall be imposed and recovered, and such imprisonment inflicted and enforced, by and under the judgment of the mayor of said city, or in case of absence or inability to act, of the clerk of said city, or in the case of absence or inability to act of both of said officers, of one of the councilmen, appointed for that purpose by the council.

Sec. 19. The mayor shall be the chief executive officer of the city and shall see that the orders, by-laws, ordinances and resolutions of the council thereof are faithfully executed; he shall be ex-officio a justice and conservator of the peace within the city and shall within the same, have, possess and may exercise, all the powers and perform all the duties whether in civil or criminal proceedings, vested by law in a justice of the peace. Any summons, warrant or other process, issued by him may be executed at any place within the county; he shall have power during the recess of the regular meetings of council to appoint special police officers when he shall deem it necessary, and it shall be his duty to see that the peace and good order of the city are preserved, and that persons and property therein are protected; and to this end he may arrest and detain, or cause the arrest and detention of all riotous and disorderly persons before taking other proceedings in the case; he shall from time to time recommend to the council such measures as he may deem needful for the welfare of the city; he shall not receive any money due or belonging to the state or corporation or to individuals, nor have civil jurisdiction of a justice, unless and until he shall have given the bond and security required of a justice of the peace by chapter fifty of the code of West Virginia; and all the provisions of said chapter relating to moneys received by justices shall apply to moneys received by him in like cases.

The mayor shall receive a salary of one hundred and fifty dollars per annum, to be paid on the first day of March of each year, and in addition thereto the mayor shall receive all fees that accrue to him in proceedings for the enforcement of ordinances and all such fees shall be collected and retained by the mayor; he may tax such costs against any person or corporation found guilty of the violation of any ordinance of the city as are provided to be taxed and recovered by justices of said county in criminal cases, and the mayor shall be entitled to the same fees as those received by a justice of this county in similar proceedings. Each councilman of the city shall re-

ceive from the city, to be paid out of the city treasury, the sum of fifty dollars per annum, payable on the first day of March of each year.

Sec. 20. The process in proceedings to enforce any ordinance prescribing a fine or imprisonment, or a fine and imprisonment, for the violation thereof shall be a summons in the name of the City of Thomas, as plaintiff, directed to the chief of police, to one of the regular police officers of the city, or to any constable of any district within the said city, requiring him to summons the person accused of such violation and who shall thereafter be designated as defendant, to appear before the mayor at the time and place therein named, to make answer to such accusation and be dealt with according to law; such summons shall contain such a statement of the facts alleged as will inform such person of the general nature of the offense of the defendant against the city with which he stands charged, and except in cases of arrest upon view, shall be issued only upon the complaint on oath of some creditable person. But the mayor may for good cause appearing, by endorsement on the summons, order the person so accused to be forthwith apprehended and brought before him for a hearing of the charge. The clerk of said city as well as the mayor, shall have authority to receive any complaint in writing of the violation of any ordinance, and to sign and issue the proper summons based upon such complaint. The mayor shall possess, and may exercise, the power and authority belonging to a justice under sections two hundred and twenty-four and two hundred and twenty-five of chapter fifty of the code of West Virginia; in summoning and enforcing the attendance and examination of witnesses, in punishing for contempt, in granting continuances, and in securing and enforcing the further attendance of the accused with a view to a trial or hearing. If any recognizance be taken for such further attendance, and is forfeited, the mayor may record the default, and an action be maintained in the name of the city, before the mayor, or any justice having jurisdiction, against the accused and his sureties, if any, to recover the penalty thereof.

Sec. 21. The mayor shall have power to issue an execution for any fine and costs assessed or imposed by him, for the violation of any ordinances, or he may at the time of rendering judgment therefor, or at the time thereafter and before satisfaction of such judgment, by his order in writing, require the immediate payment thereof; and in default of such payment he may cause the person so in default to be apprehended and brought before him, and commit him to the jail of Tucker county or in his discretion to the prison of said city, if one shall have been provided, and require him to labor on the streets until the fine and costs are fully paid; but such imprisonment shall not exceed ninety days.

Sec. 22. The jail of Tucker county may be used as a lock-up for said city. The jailer of said county shall take and receive into his custody by any person authorized to be confined therein by the ordinance of said city, or sentenced

to imprisonment therein, or committed thereto, for non-payment of fine or costs or for failure to enter into a recognizance by the judgment or order of the mayor, in proceedings for violation of an ordinance; and the expense of maintaining such persons while in confinement shall, if such person be found guilty of such violation, be charged to such person as part of the costs, but whether collected from such person or not, such expense shall be paid to said jailer by the city.

Mayor's Docket

Sec. 23. A book, well bound and indexed, to be denominated, the docket, shall be kept in the office of the mayor, in which shall be noted each case brought or tried by him, together with the proceedings herein, including a statement of complaint, the summons, the return, the fact of appearance or non-appearance, the defense, the hearing, the judgment, the costs, and in the case the judgment be one of conviction, the action taken to enforce the same; the record of each case shall be signed by the mayor or other person acting in his stead; and the original papers thereof, if no appeal be taken, shall be kept together and preserved in his office.

Appeal

Sec. 24. In any case for the violation of an ordinance of the said city in which there is a judgment by the mayor, or imprisonment, or for a fine of more than ten dollars, an appeal shall lie at the instance of the person against whom such judgment shall be rendered, to the circuit court of Tucker county. Such appeal shall not be granted by the mayor unless, within ten days from the date of the judgment such person shall enter into a recognizance with security deemed sufficient, in a penalty double the amount of fine and costs, with condition that the person appealing, will appear before the said court on the first day of the next term thereof, to answer for the offense against the city with which he stands charged, and not depart thence without leave of the court, and will perform and satisfy any judgment which may be rendered against him by the circuit court on appeal. The provisions of chapter one hundred and sixty-two of the code of West Virginia, relating to recognizance in criminal cases, shall be applicable to the recognizance contemplated by this section, except where therein otherwise provided; but any money recovered thereon or by virtue thereof shall inure to said city.

Sec. 25. If such appeal be taken the mayor shall forthwith deliver to the clerk of said court the complaint in writing, if any; the summons, a transcript of the record including the judgment, the recognizance, and any other papers belonging to the case; and such clerk shall receive and file the same, and place the case upon the trial docket of the next succeeding term of said court, and said court shall proceed to try the same in its order.

Sec. 26. If the appellant be found guilty of a violation of the ordinance in question, whether upon the verdict of a jury or otherwise, the court shall ascertain by its judgment the fine or

imprisonment, the fine and imprisonment to be paid or suffered by such defendant, having regard to the punishment prescribed by such ordinance, and shall include in any such judgment, the costs incurred by said city, as well in the proceedings before the mayor as those in court, including a fee to the attorney for the city of five dollars, and the fees, if any, of the jailer or the keeper of the city prison; and the proceedings to enforce the collection of any such fine and costs, as may be provided in sections, ten, eleven and twelve of chapter thirty-six of the code of West Virginia, except that the writ mentioned in the tenth section, may be issued by the clerk, upon the order of the mayor of the city, and the notice contemplated by the eleventh section shall be given to such officer. If the judgment be for the defendant, he shall recover his costs against the city, but no docket fee shall be charged against the city.

Sec. 27. From all judgments by the mayor, in cases other than for violation of ordinances, appeals shall be allowed as in similar cases before justices.

Clerk

Sec. 28. It shall be the duty of the city clerk to keep a journal of the proceedings of the council, and have charge of and preserve the records, papers, contracts and other documents belonging to the city; it shall be his duty to attend the sessions of the police court, and keep an accurate record of the proceedings, and all judgments shall be entered by him, within twenty-four hours after the same is rendered; he shall, in cases of sickness or disability of the mayor to act, or in case of his absence from the city, or during any vacancy in the office of the mayor, perform the duties of the mayor, and shall be vested with all the powers necessary for the performance of such duties; he shall also perform the other duties pertaining to the fiscal affairs of the city, or otherwise, as may be required of him by this act or by the council.

As soon as the rate of levy shall have been fixed by council according to law, the clerk shall furnish the officer whose duty it is to make out the land and personal property books, a certified copy of the order of the council fixing the rate of tax, and such officer shall thereupon extend the tax against the property situated in the city, in the land and personal property books, in separate columns in said book.

The clerk shall receive a salary of one hundred and fifty dollars per annum, such salary shall be in lieu of any fees that may accrue to him from issuing of licenses, or transcripts of any records.

Sec. 29. The collector shall, when the extended copies of the assessor's books are completed and returned to the clerk of the county court, have access to the same, for the purpose of making out the tax tickets of the taxes therein extended, and it shall be the duty of the collector to make out all tax tickets, and when the same shall have been examined,

compared and approved by the financial committee of the council and entered upon its record, and the collector shall be charged therewith.

The collector shall give notice that said tax tickets are in his hands for collection, stating the penalty for non-payment thereof, and the time and place where same may be paid, which notice shall be published for fifteen days in one or more newspapers published in said city, or elsewhere in Tucker county, if there is no newspaper in said city.

The collector shall immediately proceed to collect from the persons by distraint or otherwise, the entire amount of the taxes with which they are severally charged therein, and remaining unpaid on the first day of January next, succeeding said levy, with interest at the rate of one per centum per month from the said first day of January until they are fully paid.

Interest Rate

All license taxes shall be payable on the first day of July of each year, or at such time as such licenses may be issued.

Sec. 30. The said collector shall receive all taxes, assessments, fines and costs, water rents, and other money due the city authorized by this act, or by any ordinance of said city, to be paid to the city and shall receipt for the same; he shall keep an accurate account of all money paid to him for the use of said city, showing under separate accounts the amounts received for account of taxes, sewer purposes, street pavements, licenses, water rents and other bills due the city, fines and costs and of other matters pertaining to his office, which books shall at all times be open to the inspection of the council, or to any committee appointed by it for such purposes; he shall pay over promptly any money which he may receive, within five days after the receipt thereof, into the hands of the treasurer of said city, showing an itemized statement of the several funds included in such payment, taking the treasurer's receipt therefor; he shall keep his office at the office of the mayor, unless otherwise ordered by the council and shall keep his office open for the transaction of business, as may be directed by the council; he shall on or before the first day of January and July of each year and oftener, if directed by the council, present to the council a full complete and detailed statement of all money with which he is chargeable, or that has been received by him from all sources up to that time, together with a statement of all money paid to the treasurer and proper receipt therefor, and he shall at such times return a list of all taxes, levies and assessments and other claims in his hands for collection which he shall not have been able to collect by reason of insolvency, removal, or other cause, to which list he shall append an affidavit that he has used due diligence to collect the several items therein mentioned, but has been unable to do so, and if the council should be satisfied as to the correctness of such list, it shall allow him a credit for said claims, but may thereafter take such lawful measures to collect same as may be by it prescribed. The said collector shall receive all taxes on licenses, and receipt to the party paying same by endorsement upon the permit granted by order of the council and shall charge himself with the amount received from the same, and report to the council, at the next regular meeting

treasurer, take his receipt for the same, he shall upon the expiration of his term of office, or upon order of the council, turn over to his successor all money, books of account and all other property of said city in his possession; he shall receive such salary as may be fixed by the council which shall not be less than at the rate of six hundred dollars nor more than twelve hundred dollars per annum.

Sec. 31. The chief of police of said city before entering upon the discharge of his duties, shall execute a bond conditioned for the faithful performance of the duties of his office, and for the accounting for paying over, as required by law, all money which may come into his hands by virtue of his office, with sureties satisfactory to the council, payable to the City of Thomas, in a penalty of not less than two thousand nor more than ten thousand dollars, as the council may prescribe; he shall be custodian of all notes, bonds, certificates and other evidences of indebtedness to the city, together with all valuable papers which may be placed in his possession by the council; he shall be chargeable with, and it shall be his duty to collect city taxes, levies, and assessment, under such regulations as may be prescribed by law and the ordinances of the city, and in case the same are not paid within one year, after they are placed in his hands for collection, he may distrain and sell therefor in like manner, and have the same power and authority possessed by the officer charged with the collection of state taxes.

If the chief of police shall fail to collect, account for and pay over to the treasurer of said city, any or all of the money with which he may be chargeable, belonging to said city, according to the conditions of his bond and orders of the council, it shall be lawful for the council to recover same by action or by motion, upon ten days notice in the corporate name of the city, in the circuit court of Tucker county, against him or his sureties, or any or either of them, or his or their executors or administrators.

Solicitor

Sec. 32. It shall be the duty of the solicitor to prepare when directed by council, all ordinances for said city, to represent the said city in all matters and proceedings in any court, in which the said city is interested and counsel the said council when requested; he shall receive a compensation for his services, to be fixed by the council.

Chief of Police

Sec. 33. It shall be the duty of the chief of police to preserve order and quiet in said city, and to see that all subordinate police officers faithfully perform their official duties, and he may for good cause appearing to him, for neglect of duty or insubordination, suspend any such officer from duty, and report his actions and reasons therefor, to the next regular meeting of the council for action thereon; he shall make a list of all dogs within the said city liable to tax and collect the license tax thereon as may be provided by ordinance of said city; he shall be present in the police court whenever the

same shall be session, and see that all its orders and requirements are properly executed; he shall with the consent of the council entered of record, but not otherwise, appoint one or more policemen as the council may be determine.

Sec. 34. In case a violation of any ordinance of said city is committed in the presence or within the view of the chief of police or other police officer, the offender may be forthwith apprehended and taken before the mayor, and a complaint under oath, stating such violation there lodged and filed; and thereupon such offender may be tried and dealt with according to law, without summons. The chief of police shall execute within the county of Tucker when directed to him, any proper process issued by the mayor in proceedings for the enforcement of ordinances; and shall collect by levy of execution or otherwise, and duly account for, all fines assessed and costs imposed in such proceedings. He shall also have all the rights and powers, within said city in regard to the arrest of persons, the collection of claims and execution and return of process, that are or may be lawfully exercised by a constable of a district within the same, and shall be entitled to the compensation therefor; and he and his sureties shall be liable for to all fines, penalties and forfeitures, for which a constable is liable, for any dereliction of duty in office, to be recovered in the same manner and in the same courts, that such fines, penalties and forfeitures are recovered against constables.

Treasurer

Sec. 35. The treasurer may be a citizen, a bank or trust company of said city, and shall be selected by council and shall hold office during the pleasure of the council. All money due the city shall be paid to the chief of police and be by the chief of police deposited with the treasurer. The money deposited with the treasurer shall be disbursed only upon orders drawn against the same, signed by the mayor and countersigned by the clerk. The treasurer shall receipt to the chief of police for all money paid by him, and shall keep regular books of account, showing the amount of the several funds paid or deposited with the treasurer by said chief of police, and shall make report to the council once a month, or at such other times as the council may direct, showing the receipts and disbursements of the funds of the city, and the treasurer shall produce his books and accounts to the council or any committee of the same for inspection, upon order of the council.

The treasurer shall give bond with security to be approved by the council, in a sum of not less than five thousand dollars, with condition that the said treasurer shall account for and pay over all money received for the account of said city, as may be directed by the council. The said treasurer shall receive compensation as the council may fix, which shall not be at the rate of more than two hundred dollars per annum. Any bank or trust company of said city is hereby authorized to act as treasurer of said city, and the same shall be liable for all money deposited therein.

City Commissioner

Sec. 36. The city commissioner, if one should be appointed,

shall receive such compensation as may be fixed by the council. The city commissioner (if one should not be appointed, then the chief of police), shall be chosen with the following duties: He shall have general supervision of the streets, alleys, drains and sewers and of the construction of new streets, alleys, sewers and drains, and of making changes in the ones existing. He shall also be the chief health officer of said city, and shall report forthwith to the council anything that is in his judgment detrimental to the health of the public, and especially, he shall report any contagious or epidemic disease that may occur in said city. He shall see to the lighting of the streets, and that the same are properly lighted, pursuant to contract. He shall have supervision of the water works and of all tangible property of the said city, and all appliances used by the fire department of said city, and shall see to it that the same is properly taken care of and kept in proper condition for use. It shall be his duty to investigate all applications for new streets and alleys, and all applications for the use of the public water for all purposes, and report the same to the council with his recommendation, in regard thereto.

It shall likewise be his duty to report to the council, every obstruction found in any of the streets or alleys of said city, and on such report the mayor shall summon the offender to show cause why a fine should not be imposed upon the offender and why the same should not be removed at the expense of the offender in regard to the violation of the ordinance of said city. It shall likewise be the duty of the said city commissioner to supervise and protect all of the buildings and other property belonging to said city and to provide for the proper heating and cleaning and lighting of the city buildings and lockup, and such other duties as may be imposed upon him by the common council.

Lien for Taxes

Sec. 37. There shall be a lien on real estate within said city for the city taxes assessed thereon, and for all fines and penalties assessed thereto, or imposed upon the owners thereof, by the authorities of said city from the time the same are so assessed or imposed, which shall have priority over all other liens, except the lien for taxes due the state, county and district; and which may be enforced by the council in the same manner provided by law for the enforcement of the lien for county taxes. If any real estate within said city be returned delinquent for the non-payment of delinquent taxes thereon, a copy of such delinquent list may be certified by the council to the auditor and the same may be sold for the city taxes, interest and all commissions thereon, in the same manner, at the same time and by the same officer as real estate is sold for the non-payment of state taxes.

License

Sec. 38. The council shall have the authority to require a city license as follows: For anything to be done, carried on or exhibited within the said city, for which a state license is now, or may be hereafter required, for the keeping of hacks,

city, and for the keeping of dogs within the city, and the council may provide for the killing of all dogs, the keeping of which is not licensed. And upon all such licenses the council may impose a reasonable tax for the use of the city.

Sec. 39. The council shall provide by ordinance, the manner in which licenses of all kinds shall be applied for and granted, and shall require the payment of the tax thereon to be made to the chief of police of said city before delivery to the person applying therefor, and the provisions of sections thirty-nine, forty and forty-one of chapter thirty-six of the acts of one thousand nine hundred and five, relating to licenses, shall govern the city in the granting of licenses similar in character to those herein mentioned, except where otherwise herein provided. Licenses for keeping dogs shall also expire on the thirtieth day of June next after they are granted, and all other licenses may be for such times as the council may determine.

Powers of Council

Sec. 40. The council shall have the right to institute proceedings in the name of the city, for the condemnation of real estate for streets, alleys, sewers, drains, market grounds, landings, wharves, city prison, or other work or purpose of public utility; such proceedings shall conform to the provisions of chapter forty-two of the code of West Virginia, and the costs thereof shall be borne by the city, except that in contests involving a hearing by the circuit court, costs shall be recovered by the prevailing party.

Sidewalks

Sec. 41. The common council shall have power to determine the material to be used in building all sidewalks and shall determine through the city commissioner's report where such sidewalks shall be erected, and the width and grade thereof, and shall fix upon the material with which the same shall be built, and may make an order requiring the owners of lots, or parts of lots, facing or abutting on such sidewalk or footway, to pave the same with such material and on such grade and of such width as may have been determined at the expense of such owner, and under the supervision of the city commissioner, and if such owner of such abutting lot, or lots, fail or refuse to pay the same in the manner or within the time required by the council the said common council may cause the same to be done, at the expense of the city, and to assess the amount of such expense upon the owner, and the clerk shall notify the owner of such lot the amount of such assessment and if such assessment be not paid within thirty days from the date of said notice, he shall cause a memorandum showing the name of owner of said lot, a description of the lot, and the amount of assessment to file in the office of the county clerk of Tucker county, which shall be entered of record in the judgment lien docket in his office and the same shall constitute a lien upon such property, which may be enforced by a suit in equity in the name of the city, in the circuit court of Tucker county as other liens against real estate are enforced, and upon the payment of such assessment, the clerk shall issue to the person entitled thereto, a release of said lien; provided, however, that

are required to construct such sidewalks or footways, and in case the owner is a non-resident of the state, the notice aforesaid may be given by publication for four successive weeks, in a newspaper published in said city. The provisions of this section shall also be applicable to needed repairs to any of the pavements of the city, and to the substitution of new pavements for any which may have been heretofore, or which may hereafter be laid and completed, and which may be deemed insufficient.

Street Paving

Sec. 42. The council shall have the authority to provide that any street or alley or any portion thereof, between the curbstones, shall be macadamized, or paved with bricks or cobblestones, or other suitable material, upon the lowest and best terms available, and the whole cost of macadamizing or paving from curb to curb of such street or alley, shall be assessed to the owners of the land or lots, or fractional parts of lots, fronting or abutting on such street or alley, that is to say: The property owners on each side of said city one-third of costs of said improvements, to each property owner a sum proportionate to the distance or extent in feet by him owned and one-third of a sum so assessed shall be paid by each property owner to the city within thirty days after the completion of the work, and the remainder in two equal installments in six and twelve months thereafter, with interest thereon, or at such other times as the council may prescribe. The expense of macadamizing or paving at the intersections of streets or alleys shall be defrayed by the city. After the said improvements have been made, the council shall cause a notice to be published for one week in a newspaper of said city, showing the owners of the property and the number of feet fronting on said improvements, as well as the number of feet fronting on said improvements, as well as the time and the place where the said council will proceed to fix the assessment as above provided, and giving notice to any person having any interest in said property to appear and show cause, if any they can, why such assessment should not be made; and the council may, in making such assessments, consider the petition of any person or corporation relative to the inequality of said assessment, and may equalize and adjust the same. A copy of the list of such assessments showing the name of owner, number of lot or parcel of land, amount of said assessment, attested by the mayor and clerk, shall be filed in the office of the clerk of the county court of Tucker county, and recorded in the judgment lien docket in said office within thirty days after the assessments are approved by the said council, otherwise the lien of said assessment shall be void as to any purchaser of said real estate, for value and without notice, who shall have purchased such estate and the clerk shall execute and deliver on behalf of said city a release of such lien, upon the payment of said assessment in full. The assessment so made to any owner of real estate shall constitute a lien on such estate; and like proceedings may be had and taken to enforce such lien, or to recover from such owner the amount of such assessment, or of any installment thereof, as here provided for in the preceding section providing for the laying of pavements.

Sec. 43. The council of said City of Thomas shall have the authority under the provisions of ordinances adopted by the council of said city, to cause all necessary sewers to be constructed in any or all of the streets, alleys and public grounds of said city, upon its lowest and best terms to be obtained upon the direction of said council, and shall fix a uniform assessment against the owners of the real estate, lots or parcels of ground within said city, abutting or abounding on the streets, alleys or public grounds, in which sewers are so constructed, which assessment shall not exceed _____ for each front foot of land, lot or parcel of ground in which such sewer is to be constructed; and no other special tax shall be levied against the said real estate, lots or parcels of ground for the use of said sewer, the cost of construction of sewers in the intersection of such streets or alleys to be borne by the city. The one-half of such assessment shall be paid within thirty days after said sewer is completed and ready for use, and the remaining one-half with interest at the rate of six per centum per annum, shall be paid within six months after said last named date, and the said council may by ordinance compel the owners of lots or parcels of ground, fronting or abutting on any street or alley in which such sewer is constructed, under the supervision of such officer as the council may designate, to connect any residence, store, or warehouse, factory or other building occupied by persons as a place of residence or labor, with such sewer within thirty days after its completion and may inflict fines and penalties for any violation of such ordinance.

The intersection of all streets and alleys shall be provided with sewers at the expense of the city, but all connections to sewers in street or alley, to be made by property owner abutting on said street wherein sewer is constructed. The sums of money thus assessed for sewer connection shall be a lien, on the lots, tracts or parcels of land upon which they are assessed, which lien may be enforced by a suit in equity in the circuit court of Tucker county, to subject the said real estate to the payment of the sum so assessed against it as herein provided, in the same manner that judgment liens are enforced. The council shall cause a notice to be published for one week in some newspaper published in said city or elsewhere in Tucker county, showing the owners of real estate and number of feet owned by each fronting on said improvement, as well as the time and place where the said council will proceed to fix the assessment as herein provided, and giving notice to any person having an interest in the said property so assessed, to appear and show cause, if any he can, why such assessment should not be made; and the council may in making or reviewing said assessment consider the petition of any person, or corporation affected thereby, relative to the inequality of said assessment, and may equalize and adjust the same. A copy of the list of such assessments, showing the name of owner, number of lot or parcel of land and amount of assessment, attested by the mayor and clerk, shall be filed in the office of the clerk of the county court of Tucker county and recorded in the judgment lien docket in said office, within thirty days after the said assessments are approved by the said council, otherwise the lien of said assessment shall be void as to any purchaser of said real estate for value and without notice, who shall have purchased such real estate, and the clerk shall execute and deliver on behalf of said city a release of such lien, upon the payment in full of said assessment.

ruction of sewers as herein provided, shall be used by said city for sewer construction only, and the collector and treasurer shall keep separate accounts of receipts and disbursements of said fund, and shall make separate report with respect to said fund from time to time as the council may direct, and the said collector and treasurer shall be liable to said city, on their official bonds, for the payment of all money which may come into their hands, respectively, by virtue hereof, and shall pay over the same upon the proper order of the council.

Sec. 44. The sewers heretofore constructed, in any of the streets or alleys of said city at the expense of the property owners abutting thereon, and by authority of said council, may be taken for public use by said city, and the same may be used subject to the provisions of the preceding section, but before any such sewer is so occupied by the city compensation shall be made to the persons having paid for the same or entitled thereto. Such compensation shall be determined by the award of three arbitrators, one selected by the council, one selected by the person or persons having paid for the construction of said sewer, or his assigns, and the two selected shall choose a third arbitrator, and the said arbitrators shall, after hearing all evidence as to what would be a just compensation for such sewer, make their award in writing, which award shall be final, and entered of record by the council. The arbitrators so chosen and selected, shall not be interested in the matters submitted to them other than as taxpayers in said city. And the owners of any real estate abutting on any such street or alley, in which any such private sewer has been constructed by the authority of the council, and at their own expense, shall not be required to pay any assessment levied or assessed against the same for the construction of a sewer in a street or alley, in which such private sewer has been constructed, until said private sewer is taken by said city and compensation made therefor as herein provided, and any private sewer so taken by said city shall be held, used and occupied as provided in the next preceding section, and the property abutting thereon, subject to the assessments as therein provided.

Sec. 45. All assessments of property for purposes of taxation, the preparation for, and levying of all taxes and levies, general or special, shall be ascertained, advertised and levied, and in all respects conform to the provisions of chapter nine of the acts of one thousand nine hundred and eight, and any amendments which may be made thereto, any provision, section, or clause in this act to the contrary notwithstanding. An annual capitation tax of one dollar may be levied upon each male inhabitant of said city, who has attained the age of twenty-one years.

Financial Statement.

Sec. 46. In the month of August in each year, the council shall cause to be published in two newspapers of opposite politics in the city, if there be such published therein, at a compensation not to exceed the rate as provided by law for like publications, for one issue, or if no such newspaper be published therein, to publish in pamphlet form not less than one hundred copies of a sworn statement of the financial condition

account of the receipts and expenditures of the city, showing the source from which all money was derived, the name of the person to whom an order was issued, together with the amount of each order, and why such order was issued, arranging the same under distinct heads, and also a specific list of the debts of the city showing the purpose for which any debt was contracted, the time it became due, the rate of interest, up to what time, the interest thereon has been paid, the amount of money in the treasury at the end of the preceding administration and debts contracted by it; such statement shall be prepared by the city every twelve months and shall then be printed according to the provisions of this section. Either method of making this report shall be sworn to by the clerk, by the mayor and members of finance committee of the council. One copy of such printed record shall be delivered to the judge of the circuit court, one to the clerk of the county court and one to the circuit clerk of Tucker county, and one shall be kept as a part of the records of the city, and the remainder shall be held for distribution as called for by the taxpayers of the city.

If the council fail or refuse to perform the duties herebefore or hereinafter named, every member of such council and the clerk thereof, concurring in such failure or refusal, shall be guilty of misdemeanor, and upon conviction thereof, shall be fined not less than ten nor more than one hundred dollars.

Bonds, Additional Levy

Sec. 47. The municipal authorities of said city shall have power and authority to issue and make sale of the bonds of said city, as provided by law, and apply the proceeds thereof to the payment for any general improvement, or to any debt or obligation of the said city, as provided by law.

Sec. 48. The City of Thomas shall succeed to all the rights, powers and responsibilities, and be vested with the title to all property of the town of Thomas and the City of Thomas as heretofore existing, and all officers of said town acting as such, at the time this enactment takes effect, shall continue until the first Monday in March, one thousand nine hundred and twenty-six, or until their successors, the officers herein mentioned are elected or appointed and qualified, to exercise the powers, perform the duties, and receive the compensation heretofore conferred, prescribed and allowed by former charter, by general law or by the ordinances of said city, such ordinances in force at the time referred to shall continue to have full operation and effect until amended, repealed or superseded by the council of said city.

Sec. 49. All acts and parts of acts coming within the purview of this act and inconsistent herewith, are hereby repealed.

.....
Speaker of the House of Delegates.

.....
Clerk of the House of Delegates.

.....
President of the Senate.

.....
Clerk of the Senate.

The within is.....
this.....day of.....1925

.....
Governor.



CITY OF THOMAS

Water Revenue Bond, Series 1988

MINUTES ON ADOPTION OF BOND LEGISLATION -
FIRST READING

I, Mary F. Buckley, Recorder of the City of Thomas, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the Council of said City:

* * *

* * *

* * *

The Council of the City of Thomas met in special session, pursuant to notice duly given, on the 15th day of March, 1988, at Thomas, West Virginia, at the hour of 5:30 p.m.

PRESENT:	Walt J. Ranalli	-	Mayor
	Mary F. Buckley	-	Recorder
	Mary Milkint	-	Councilmember
	Samuel Eichelberger	-	Councilmember
	Tammy Lipscomb	-	Councilmember

ABSENT:	Charles R. Paugh, Jr.	-	Councilmember
---------	-----------------------	---	---------------

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 in writing entitled:

ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF THOMAS, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$77,000 IN PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1988, ON A PARITY WITH THE OUTSTANDING 1973 AND 1982 BONDS OF THE CITY; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

and caused the same to be read and there was discussion. Thereupon, on motion of Councilmember Tammy Lipscomb, seconded by Councilmember

Mary Milkint, it was unanimously ordered that the above-entitled Ordinance be adopted upon first reading.

* * *

* * *

* * *

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



Mayor

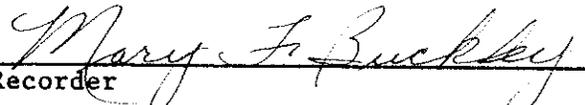
* * *

* * *

* * *

I further hereby 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 7th day of April, 1988.



Recorder

04/05/88
THMSW1-E

CITY OF THOMAS

Water Revenue Bond, Series 1988

MINUTES ON ADOPTION OF BOND LEGISLATION -
SECOND READING

I, Mary F. Buckley, Recorder of the City of Thomas, hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of said City:

* * *

* * *

* * *

The Council of the City of Thomas met in regular session, pursuant to notice duly given, on the 22nd day of March, 1988, at Thomas, West Virginia, at the hour of 6:30 p.m.

PRESENT:	Walt J. Ranalli	-	Mayor
	Mary F. Buckley	-	Recorder
	Charles R. Paugh, Jr.	-	Councilmember
	Mary Milkint	-	Councilmember
	Samuel Eichelberger	-	Councilmember
	Tammy Lipscomb	-	Councilmember

ABSENT: None

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. He stated that the proposed Bond Ordinance heretofore passed on first reading would be considered upon second reading.

Thereupon, the Mayor stated that it would be in order to consider the said Bond Ordinance for adoption upon second reading and he caused the Recorder to read the title of the said Ordinance as follows:

ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF THOMAS, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$77,000 IN PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1988, ON A PARITY WITH THE OUTSTANDING 1973 AND 1982 BONDS OF THE CITY; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES

OF AND SECURITY FOR THE HOLDERS OF THE BOND; AND
PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

Thereupon, on motion of Councilmember Samuel Eichelberger, seconded by Councilmember Mary Milkint, it was unanimously ordered that the said Bond Ordinance be adopted on second reading.

* * *

* * *

* * *

Pursuant to the Bond Ordinance, it was ordered that there be published a notice of public hearing together with an abstract of the Bond Ordinance, which the Council determined to contain sufficient information to give notice of the contents of said Bond Ordinance, once a week for two successive weeks as provided in said Bond Ordinance, said public hearing to be had before this Council upon said Bond Ordinance at the hour of 5:30 p.m., on the 6th day of April, 1988, all in accordance with the requirements of statute.

* * *

* * *

* * *

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



Mayor

* * *

* * *

* * *

I further hereby 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 7th day of April, 1988.



Recorder

04/06/88
THMSW1-F

CITY OF THOMAS

Water Revenue Bond, Series 1988

MINUTES ON FINAL ENACTMENT OF BOND ORDINANCE
FOLLOWING PUBLIC HEARING

I, Mary F. Buckley, Recorder of the City of Thomas, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the Council of said City:

* * *

* * *

* * *

The Council of the City of Thomas met in special session, pursuant to notice duly given, on the 6th day of April, 1988, at Thomas, West Virginia, at the hour of 5:30 p.m.

PRESENT: Walt J. Ranalli - Mayor
Mary F. Buckley - Recorder
Charles R. Paugh, Jr. - Councilmember
Mary Milkint - Councilmember
~~Samuel Eichelberger - Councilmember~~
Tammy Lipscomb - Councilmember

ABSENT: *Samuel Eichelberger - Councilmember*

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. He stated that the proposed Bond Ordinance heretofore passed on second reading would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and he caused the Recorder to read the title of the said Bond Ordinance as follows:

ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF THOMAS, AND THE FINANCING OF THE

COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$77,000 IN PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1988, ON A PARITY WITH THE OUTSTANDING 1973 AND 1982 BONDS OF THE CITY; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

Thereupon, on motion of Councilmember Charles R. Paugh, Jr., seconded by Councilmember Mary Milkin, it was unanimously ordered that the said Bond Ordinance be finally enacted and put into effect.

Thereupon, the Mayor presented a Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE INTEREST RATE AND PAYMENT SCHEDULE OF THE WATER REVENUE BOND, SERIES 1988, OF THE CITY OF THOMAS; AND MAKING OTHER PROVISIONS AS TO THE BOND

and caused the same to be read and there was discussion. Thereupon, on motion of Councilmember Tanny Lipscomb, seconded by Councilmember Mary Milkin, it was unanimously ordered that said Supplemental Resolution be adopted and be in full force and effect from the date hereof.

* * *

* * *

* * *

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

Walt J. Ranalli
Mayor

* * *

* * *

* * *

I further hereby 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 7th day of April, 1988.


Recorder

04/05/88
THMSW1-G



STATE OF WEST VIRGINIA,
COUNTY OF RANDOLPH, TO-WIT:

I, Charles R. Olson, Publisher of THE INTER-MOUNTAIN, a qualified newspaper published at Elkins, in said county, and of general circulation in the City of Thomas, TuckerCounty, West Virginia, do hereby certify that the advertisement annexed as Exhibit A was published on the following dates:

March 26, 1988 and April 2, 1988, as required by law.

Given under my hand this 02 day of April,
1988.

Charles R. Olson
Publisher

Printer's Fee: \$ 57⁴⁴

Subscribed and sworn to before me this 2nd day of
April, 1988.

Paula J. Harris
Notary Public

My commission expires: June 18, 1996

03/28/88
THMSW1-R

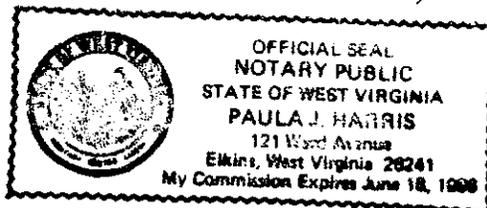


EXHIBIT "A"

Legal Notice

LEGAL NOTICE

CITY OF THOMAS
NOTICE OF PUBLIC HEARING ON
WATER REVENUE BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a special meeting of the Council of the City of Thomas to be held on April 6, 1968, at 5:30 p.m. in the City Council chambers at the Thomas City Hall, and at such hearing any person interested may appear before the City Council and present protests and if shall then take such action after hearing all protests and suggestions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEMS OF THE CITY OF THOMAS, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$77,000 IN PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1968, ON A PARITY WITH THE OUTSTANDING 1972 AND 1982 BONDS OF THE CITY; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

The above-entitled Ordinance was adopted by the City Council of the City of Thomas on March 22, 1968, and the City of Thomas contemplates the issuance of the Bond described in said Ordinance.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issue contemplated thereby. The Bond is to provide financing of a portion of the costs of acquisition and construction of additions, extensions and improvements to the existing waterworks system of the City of Thomas (the "Project"). The Bond is payable solely from revenues derived from the ownership and operation of the waterworks system of the City. No taxes may at any time be levied for the payment of the Bond or the interest thereon.

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

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

Dated March 22, 1968.

s/s Mary F. Buckley
Recorder



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: June 11, 1987

CASE NO. 87-178-W-CN

THE CITY OF THOMAS, a municipal corporation, Tucker County.

Application for a certificate of convenience and necessity to construct a water line extension to the Tucker County High School, Thomas, Tucker County.

FINAL ORDER

On March 28, 1987, The City of Thomas, a municipal corporation, Tucker County, filed an application, duly verified, for a certificate of convenience and necessity to construct 1-50,000 gallon and 1-100,000 gallon steel reservoir, a booster station, 21,630 L.F. of 8-inch PVC Class 160 pipe; 4,570 L.F. of 8-inch PVC Class 200 pipe; 126 L.F. of 8-inch ductile iron pipe; 4,240 L.F. of 8-inch C-900 pipe, 2,770 L.F. of 6-inch PVC Class 160 pipe; 260 L.F. of 2-inch PVC Class 160 pipe, a new chlorination system at its treatment plant, and new raw water intake motors and pumps, to provide water service to 24 additional customers including and especially the Tucker County High School, the Arch Moore Vo-Tech Center and the West Virginia State Police.

The City of Thomas estimates that construction will cost approximately \$625,000, with total project cost of \$750,000, and will be financed by a grant from the Appalachian Regional Commission in the amount of \$523,000; a loan from Farmers Home Administration in the amount of \$77,000; and school system participation in the amount of \$150,000.

By order entered March 30, 1987, The City of Thomas was required to give notice of the filing of its application by publishing a copy of said

order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Tucker County, making due return to the Commission of proper certification of publication immediately after publication. Anyone desiring to make objection to said application was required to do so in writing within thirty days after the publication of said notice. Finally, the March 30, 1987 order stated that if no protests are received within said 30-day period, the Commission may waive formal hearing and grant the application to The City of Thomas based upon the evidence submitted by the City with its application and the Commission's review thereof.

On April 28, 1987, The City of Thomas filed with the Commission an affidavit of newspaper publication of the Commission's March 30, 1987 order in the Parsons Advocate, a newspaper published at Parsons, West Virginia, on April 8, 1987. As a result of said notice by newspaper publication the Commission has received no letters of public protests to The City of Thomas certificate application.

This certificate application filing has been reviewed by the Commission Staff and the findings of said review and resulting recommendations were filed with the Commission by the May 11, 1987 memorandum of C. E. Windham, Jr., P.E., and Geert Bakker, Utilities Analyst, and the May 26, 1987 memorandum of Robert M. Adkins, Staff Attorney. Staff observes that the total cost of this project is estimated at \$750,000, which is fully funded by the Appalachian Regional Commission Grant, the Tucker County Board of Education Grant, and the Farmers Home Administration Loan. Staff finds that the \$500 per month debt service on the bonds should be fully recovered from the additional customers to be served by this project.

Accordingly, the City proposes no rate increase as a result of the proposed construction.

In consideration of the information and data filed by The City of Thomas, the Commission Staff review thereof, and the absence of public protests to this application, the Administrative Law Judge (ALJ) is of the opinion that pursuant to the jurisdiction and authority of this Commission as conveyed by West Virginia Code §24-2-11, public hearing on this application may be waived and the sought-after certificate of public convenience and necessity granted.

IT IS, THEREFORE, ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to The City of Thomas to construct a 50,000 gallon and a 100,000 gallon steel reservoirs, a booster station, various line extensions, a chlorination system, and new raw water intake motors and pumps, to provide water service to approximately 24 additional customers, at a total project cost of approximately \$750,000 as proposed by the City in its application filed with this Commission on March 28, 1987.

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

This order is issued pursuant to General Order No. 212, dated December 16, 1982, which order designates the Division of Administrative Law Judges as the initial decision making body in the Public Service Commission and authorizes the Public Service Commission ALJs to issue orders on behalf of the Commission in all proceedings filed pursuant to Chapter 24 of the West Virginia Code, which proceedings are not set for hearing and

which orders shall have the full force and effect of Commission orders, without the provision for the filing of exceptions thereto.

Leave is hereby granted to the parties to file a petition for further hearing, reopening, or rehearing pursuant to Rule 19 of the Commission's Rules of Practice and Procedure with the Executive Secretary of the Commission within ten (10) days after the date this order is mailed.



Charles D. Perfater
Administrative Law Judge

CDP:mal



TUCKER COUNTY SCHOOLS

Mary Alice Klein, Superintendent
P.O. Box 369
Parsons, West Virginia 26287
Telephone: 304-478-2771

BOARD of EDUCATION MEMBERS
Ronald Knotts, President
Virginia Flanagan, Vice-President
Roscoe Beall
Barbara Elza
Betty Knicley

March 17, 1988

Mr. J. Pat Nichols
Attorney
Main Street
Parsons, WV 26287

Dear Mr. Nichols:

The Tucker County Board of Education met in Regular Session on Tuesday, March 15, 1988 at the Arch A. Moore, Jr. Career Center.

At that meeting, the Board unanimously approved the request from the Farmers' Home Administration for water line project funding to be turned over to the City of Thomas by April 5, 1988, with the stipulation that it be used for actual construction only, not for administration.

Please advise us of any further directives in this matter.

Sincerely,



Mary Alice Klein
Superintendent

MAK:tlm



E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute Forms FmHA 400-1, "Equal Opportunity Agreement," and FmHA 400-4, "Assurance Agreement," and any other agreements required by Grantor which Grantee is legally authorized to execute. If any such forms have been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this Grant, another form of the same type need not be executed in connection with this Grant.

I. Upon any default under its representations or agreements set forth in this instrument, or in the instruments incident to the awarding of the grant, Grantee, at the option and demand of Grantor, to the extent legally permissible, will repay to grantor forthwith the original amount of the grant received with the interest accruing thereon from the date of default at the market rate for water and waste disposal loan assistance in effect on the date hereof or at the time the default occurred, whichever is greater. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it of previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantor may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sale proceeds). When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

31,000 LF of 8" water line, one (1) 200,000 gallon tank, one (1) booster station, eight (8) fire hydrants, two (2) 6" gate valves, four (4) 8" gate valves, and 22 water services as designed by Swecker Engineering & Surveying, 520 Davis Ave., Elkins, West Virginia 26241.

L. Abide by the following conditions pertaining to nonexpendable personal property which is furnished by the Grantor or acquired wholly or in part with grant funds. Nonexpendable personal property means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit. A Grantee may use its own definition of nonexpendable personal property provided such definition would at least include all tangible personal property as defined above.

1. Use of nonexpendable property.

(a) The Grantee shall use the property in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the property in connection with its other Federally sponsored activities, if any, in the following order of priority:

- (1) Activities sponsored by the FmHA.
- (2) Activities sponsored by other Federal agencies.

(b) During the time that nonexpendable personal property is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired. First preference for such other use shall be given to FmHA sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of nonexpendable property. When the Grantee no longer needs the property as provided in paragraph (a) above, the property may be used for other activities in accordance with the following standards:

(a) Nonexpendable property with a unit acquisition cost of less than \$1,000. The Grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(b) Nonexpendable personal property with a unit acquisition cost of \$1,000 or more. The Grantee may retain the property for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the property. If the Grantee has no need for the property and the property has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the property can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the property exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee request and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the property and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the property elsewhere the Grantee shall be reimbursed by the benefitting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the property, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for nonexpendable personal property shall also include:

(a) Property records which accurately provide for: a description of the property; manufacturer's serial number or other identification number; acquisition date and cost; source of the property; percentage (at the end of budget year) of Federal participation in the cost of the project for which the property was acquired; location, use and condition of the property and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization, and continued need for the property.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(e) Proper sales procedures shall be established for unneeded property which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described nonexpendable property (use continuation sheets as necessary).

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm copies may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in sufficient detail to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government or a nonprofit organization. States and agencies or instrumentalities of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in items K and L above.

S. Include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. In construction contracts in excess of \$2,000 and in other contracts in excess of \$2,500 which involve the employment of mechanics or laborers, to include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, Part 5).

U. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of Section 114 of the Clean Air Act (42 U.S.C. §1875C-9) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. Such regulations and guidelines can be found in 40 CFR 15.4 and 40 FR 17126 dated April 16, 1975. In so doing the Contractor further agrees:

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR 15.20 as of the date of contract award.

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

V. The following clause is applicable to nonprofit organizations:

As a condition of this Grant or Cooperative Agreement, the recipient assures and certifies that it is in compliance with and will comply in the course of the Agreement with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated in this Agreement by reference, and such statutory provisions as are specifically set forth herein.

GRANTOR AGREES THAT IT:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 523,000,00

which it will advance to Grantee to meet not to exceed 80 percent of the development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

(c) The Grantee shall use the property in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the property in connection with its other Federally sponsored activities, if any, in the following order of priority:

ARC GRANT AGREEMENT



(STEPTOE & JOHNSON LETTERHEAD)

_____, 19____

City of Thomas
\$77,000 Water Revenue Bond, Series 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Philadelphia, Pennsylvania 19255

Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-GC and a file copy thereof with regard to the above-captioned bond issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Walter L. Williams

WLW:aef
Enclosure

03/10/88
THMSW1-Q

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER (304) 624-8183

CHARLES W. YEAGER
CARL F. STUCKY, JR.
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
OTIS L. O'CONNOR
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES R. WATSON
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
WILLIAM T. BELCHER
MICHAEL L. BRAY
DAVID C. CLOVIS
DANIEL R. SCHUDA
J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
SPRAGUE W. HAZARD
HERSCHEL H. ROSE III
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
J. ROBERT GWYNNE
WILLIAM E. GALEOTA
CHRISTOPHER P. BASTIEN
GORDON H. COPLAND

CHARLESTON OFFICE
715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25326
(304) 342-2191
TELECOPIER (304) 342-0726

MORGANTOWN OFFICE
1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
TELECOPIER 304 598-8116

RANDALL C. LIGHT
STEVEN P. MCGOWAN
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLPH FIFE
MARTIN R. SMITH, JR.
LOUIS E. ENDERLE
ROBERT J. SCHIAVONI
JOSEPH R. FERRETTI
MARK E. KINLEY
EDWARD R. KOHOUT
MARCIA J. POLLARD
BRYAN R. COKELEY
PATRICK D. KELLY
FRANCESCA TAN
CHRISTINE S. VAGLIANTI
DAVID M. HAMMER
WILLIAM F. ROHRBAUGH
CAROLINE J. STAFFORD

OF COUNSEL
ROBERT W. LAWSON, JR.
RALPH BOHANNON
ERNEST C. SWIGER

WRITER'S DIRECT DIAL NUMBER

(304) 624-8152

January 18, 1989

City of Thomas
Water Revenue Bond, Series 1988

Mr. Delmes Goldizen
Farmers Home Administration
400 Davis Avenue
Elkins, West Virginia 26241

Dear Delmes:

Enclosed are three copies of the Internal Revenue Service Form 8038-GC and the transmittal letter with respect thereto, which were filed in connection with the above-captioned bond issue. A copy of each form and transmittal letter should be added (as Document No. 12) to the three transcripts previously delivered. The forms presently included as Document No. 12 in these transcripts should be discarded and replaced by the enclosed. By copy of this letter, I have forwarded a copy of this form and transmittal letter to Mary Buckley and Witter Hallan for inclusion in their respective transcripts. If you need any additional information, please let me know.

Very truly yours,



Walter L. Williams

WLW/pj
011789

ThomGold.L01
89682/86001

Copy of letter with enclosures to:

Ms. Mary F. Buckley
Mr. R. Witter Hallan

Copy of letter only to:

J. Pat Nichols, Esquire
Mr. Randy Plum

1989
1 MBC

Mr. Delmes Goldizen
January 18, 1989
Page 2

P.S. The "Technical and Miscellaneous Revenue Act of 1988" was enacted into law on November 11, 1988. This act contains certain provisions relating to tax-exemption of municipal obligations which provisions have effective dates preceding the date of closing of the above-captioned issue. While the substance of most of these changes was known prior to closing and incorporated into the transcript documents, the revision of the definition of "investment property" under the Internal Revenue Code of 1986 (the "Code"), and as defined in Section 1.04 on page 6 of the Bond Ordinance (Document No. 17 of the loan transcripts), was not available prior to closing. Rather than amend this ordinance, and since the City of Thomas has previously agreed to take no actions that would cause the interest on the above-captioned bond to become taxable, please simply note in this ordinance by such definition of Investment Property that the term Investment Property includes "specified private activity bonds" as defined in Section 57(a)(5)(C) of the Code (which are generally obligations subject to the alternative minimum tax), even if the interest on such specified private activity bonds is otherwise excluded from gross income.

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

TELECOPIER: (304) 624-8183

CHARLES W. YEAGER
CARL F. STUCKY, JR.
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
OTIS L. O'CONNOR
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
ANNE R. WILLIAMS
JAMES R. WATSON
JAMES D. GRAY
VINCENT A. COLLINS
JAMES A. RUSSELL
WILLIAM T. BELCHER
MICHAEL L. BRAY
DAVID C. CLOVIS
DANIEL R. SCHUDA
J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
SPRAGUE W. HAZARD
HERSCHEL H. ROSE III
RONALD H. HANLAN
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
J. ROBERT GWYNNE
WILLIAM E. GALEOTA
CHRISTOPHER P. BASTIEN
GORDON H. COPLAND

CHARLESTON OFFICE
715 CHARLESTON NATIONAL PLAZA
P. O. BOX 1588
CHARLESTON, W. VA. 25326
(304) 342-2191
TELECOPIER: (304) 342-0726

MORGANTOWN OFFICE
1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
TELECOPIER: (304) 598-8116

RANDALL C. LIGHT
STEVEN P. MCGOWAN
RICHARD M. YURKO, JR.
GARY W. NICKERSON
W. RANDOLPH FIFE
MARTIN R. SMITH, JR.
LOUIS E. ENDERLE
ROBERT J. SCHIAVONI
JOSEPH R. FERRETTI
MARK E. KINLEY
EDWARD R. KOHOUT
MARCIA J. POLLARD
BRYAN R. COKELEY
PATRICK D. KELLY
FRANCESCA TAN
CHRISTINE S. VAGLIENTI
DAVID M. HAMMER
WILLIAM F. ROHRBAUGH
CAROLINE J. STAFFORD

OF COUNSEL
ROBERT W. LAWSON, JR.
RALPH BOHANNON
ERNEST C. SWIGER

WRITER'S DIRECT DIAL NUMBER

January 17, 1989

City of Thomas
\$77,000 Water Revenue Bond, Series 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Philadelphia, Pennsylvania 19255

Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-GC and a file copy thereof with regard to the above-captioned bond issue and other issues of the City of Thomas for the calendar year 1988. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,



Walter L. Williams

WLW/pj
Enclosure
01/17/89
IRS8038.Q01
89682/86001

Consolidated Information Return for Small Tax-Exempt Governmental Bond Issues

▶ Under Section 149(e)

▶ For calendar year ending 1988...

(Use Form 8038-G if issue price of the issue is \$100,000 or more.)

Part I Reporting Authority

Check box if Amended Return ▶

1 Issuer's name City of Thomas	2 Issuer's employer identification number 55-6000260
3 Number and street City Hall	
4 City or town, state, and ZIP code Thomas, West Virginia 26292	

Part II Description of Bonds

5 Total issue price of all bonds issued as part of an issue, the issue price of which is less than \$100,000

5	\$77,000	00
----------	----------	----

6 Check box that most nearly approximates the weighted average maturity of the bonds:

- a Less than 5 years
- b From 5 to 10 years
- c More than 10 years

7 Check box that most nearly approximates the weighted average interest rate on the bonds:

- a Less than 5%
- b From 5% to 10%
- c More than 10%

8 Total issue price of the bonds reported on line 5 that are:

- a Bonds issued in the form of a lease or installment sale
- b Bonds designated by the issuer under section 265(b)(3)(B)(ii)
- c Bonds issued to refund prior issues
- d Loans made from the proceeds of another tax-exempt bond issue

8a		0
8b		0
8c		0
8d		0

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

Please Sign Here		1/9/89 Date
	Signature of officer	Mayor Title

General Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Changes You Should Note

All issuers of tax-exempt bonds must report certain information about bonds they issue. Issuers should use Form 8038-GC only if the issue price of the issue is under \$100,000. If the issue price is \$100,000 or more, issuers should use Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues. For private activity bonds, issuers should use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Paperwork Reduction Act Notice

We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws. You are required to give us this information.

Purpose of Form

Form 8038-GC is to be used by issuers of tax-exempt governmental bonds to provide IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Each issuer must file a single Form 8038-GC for all tax-exempt governmental bond issues issued after December 31, 1986, with issue prices of less than \$100,000. Form 8038-G is filed to report each issue of governmental bonds with issue prices of \$100,000 or more.

When To File

File Form 8038-GC on or before February 15th after the close of the calendar year in which the issue is issued. Form 8038-GC must be completed based on the facts as of the close of the calendar year.

Where To File

File Form 8038-GC with the Internal Revenue Service Center, Philadelphia, PA 19255.

Definitions

- A **tax-exempt bond** is an obligation issued as part of an issue the interest on which is exempt from tax under the Internal Revenue Code.

- A **tax-exempt governmental bond** is a tax-exempt bond that is not a private activity bond.

- A **private activity bond** is generally a bond issued as part of an issue of which:

- (1) more than 10% of the proceeds are to be used for any private business use; and
- (2) more than 10% of the payment of the principal or interest either is secured by an interest in property to be used for a private business use (or payments in respect of such property) or is to be derived from payments in respect of property (or borrowed money) used for a private business use. A bond will also be considered a private activity bond if the amount of the proceeds to be used to make or finance loans (other than loans

Consolidated Information Return for Small Tax-Exempt Governmental Bond Issues

Under Section 149(e)

For calendar year ending 19 88.

(Use Form 8038-G if issue price of the issue is \$100,000 or more.)

Part I Reporting Authority Check box if Amended Return

1 Issuer's name City of Thomas	2 Issuer's employer identification number
3 Number and street City Hall	
4 City or town, state, and ZIP code Thomas, West Virginia 26292	

Part II Description of Bonds

5 Total issue price of all bonds issued as part of an issue, the issue price of which is less than \$100,000	5
6 Check box that most nearly approximates the weighted average maturity of the bonds. a <input type="checkbox"/> Less than 5 years b <input type="checkbox"/> From 5 to 10 years c <input type="checkbox"/> More than 10 years	[Shaded Area]
7 Check box that most nearly approximates the weighted average interest rate on the bonds: a <input type="checkbox"/> Less than 5% b <input type="checkbox"/> From 5% to 10% c <input type="checkbox"/> More than 10%	
8 Total issue price of the bonds reported on line 5 that are	
a Bonds issued in the form of a lease or installment sale	8a
b Bonds designated by the issuer under section 265(b)(3)(B)(ii)	8b
c Bonds issued to refund prior issues	8c
d Loans made from the proceeds of another tax-exempt bond issue	8d

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

Please Sign Here

_____ Signature of officer	_____ Date	Mayor _____ Title
-------------------------------	---------------	-------------------------

General Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Changes You Should Note

All issuers of tax-exempt bonds must report certain information about bonds they issue. Issuers should use Form 8038-GC only if the issue price of the issue is under \$100,000. If the issue price is \$100,000 or more, issuers should use Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues. For private activity bonds, issuers should use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Paperwork Reduction Act Notice

We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws. You are required to give us this information.

Purpose of Form

Form 8038-GC is to be used by issuers of tax-exempt governmental bonds to provide IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150

Who Must File

Each issuer must file a single Form 8038-GC for all tax-exempt governmental bond issues issued after December 31, 1986, with issue prices of less than \$100,000. Form 8038-G is filed to report each issue of governmental bonds with issue prices of \$100,000 or more.

When To File

File Form 8038-GC on or before February 15th after the close of the calendar year in which the issue is issued. Form 8038-GC must be completed based on the facts as of the close of the calendar year.

Where To File

File Form 8038-GC with the Internal Revenue Service Center, Philadelphia, PA 19255.

Definitions

• A tax-exempt bond is an obligation issued as part of an issue the interest on which is exempt from tax under the Internal Revenue Code.

• A tax-exempt governmental bond is a tax-exempt bond that is not a private activity bond.

• A private activity bond is generally a bond issued as part of an issue of which:

- (1) more than 10% of the proceeds are to be used for any private business use, and
- (2) more than 10% of the payment of the principal or interest either is secured by an interest in property to be used for a private business use (or payments in respect of such property) or is to be derived from payments in respect of property (or borrowed money) used for a private business use. A bond will also be considered a private activity bond if the amount of the proceeds to be used to make or finance loans (other than loans



THE CITY OF THOMAS

\$79,000 Water Revenue Bonds,
Series 1973

BOND ORDINANCE

Table of Contents

<u>Subject</u>	<u>Page</u>
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01. Authority for this Ordinance	1
Section 1.02. Findings and Determinations	1
Section 1.03. Ordinance to Constitute Contract	3
Section 1.04. Definitions	3
ARTICLE II - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS	
Section 2.01. Authorization of 1973 Bonds	7
Section 2.02. Description of 1973 Bonds	7
Section 2.03. Execution of Bonds and Coupons	9
Section 2.04. Negotiability and Registration	10
Section 2.05. Bonds Mutilated, Destroyed, Stolen or Lost	10
Section 2.06. Bonds Secured by Pledge of Revenues	11
Section 2.07. Form of 1973 Bonds and Coupons	11
(Form of Coupon Bonds)	12
(Form of Coupon)	16
(Certificate of Conversion)	17
(Form of Single, Fully Registered Bond)	18
RECORD OF ADVANCES	22
ARTICLE III - 1973 BOND PROCEEDS; REVENUES AND APPLICATION THEREOF	
Section 3.01. 1973 Bond Proceeds; Project Construction Account	23
Section 3.02. Covenants as to Revenues and Funds	24
ARTICLE IV - GENERAL COVENANTS	
Section 4.01. General Statement	29
Section 4.02. Rates	29
Section 4.03. Sale of the System	29
Section 4.04. Covenant Against Encumbrances	30
Section 4.05. Issuance of Additional Parity Bonds	31

Section 4.06.	Insurance and Bonds	34
Section 4.07.	Statutory Mortgage	36
Section 4.08.	Events of Default	36
Section 4.09.	Enforcement	36
Section 4.10.	No Priority Between Bonds	37
Section 4.11.	Fiscal Year; Budget	37
Section 4.12.	Covenant to Proceed and Complete	38
Section 4.13.	Books and Records	38
Section 4.14.	Maintenance of the System	39
Section 4.15.	No Competition	39

ARTICLE V - RATES, ETC.

Section 5.01.	Initial Schedule of Rates and Charges; Rules	40
---------------	---	----

ARTICLE VI - MISCELLANEOUS

Section 6.01.	Filing Under Uniform Commercial Code	43
Section 6.02.	Modification or Amendment	43
Section 6.03.	Sale of 1973 Bonds	43
Section 6.04.	Refunding of Bonds Permitted	44
Section 6.05.	Severability of Invalid Provision	45
Section 6.06.	Conflicting Provisions Repealed	45
Section 6.07.	Table of Contents and Headings	45
Section 6.08.	Effective Time	45
Section 6.09.	Statutory Notice and Public Hearing	45

THE CITY OF THOMAS

ORDINANCE AUTHORIZING THE ISSUANCE OF \$79,000 WATER REVENUE BONDS, SERIES 1973, OF THE CITY OF THOMAS TO FINANCE THE COSTS OF ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE EXISTING WATERWORKS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING FOR THE FIXING, ESTABLISHING AND COLLECTING OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE WATERWORKS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE BONDS AND FOR A STATUTORY MORTGAGE LIEN UPON THE WATERWORKS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF THOMAS:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of Article 19, Chapter 8 of the West Virginia Code and other applicable provisions of law.

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

(A) The City of Thomas (herein called the "City"), in the County of Tucker, State of West Virginia, now owns a public waterworks which needs improvements and additions as herein provided. The inhabitants of the City and surrounding area urgently require that the waterworks be improved as herein provided in order that adequate supplied of pure, potable water will be available to those in the service area of the waterworks.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience

of the said inhabitants, and, accordingly, it is hereby ordered that there be constructed additions, extensions and improvements for the existing waterworks of the City consisting of a new water treatment plant, a raw water pump unit, a sludge removal tank, a new 200,000 gallon water storage tank and additional transmission and distribution lines, with all necessary appurtenant facilities (hereinafter collectively called the "Project"), particularly described in and according to the plans and specifications prepared by J. H. Milam, Inc., Consulting Engineers, of Dunbar, West Virginia (herein called the "Consulting Engineer"), and heretofore filed in the office of the Clerk.

(C) It is necessary for the City to issue its revenue bonds in the principal amount of \$79,000 to finance the costs of acquisition and construction of the Project in the manner hereinafter provided.

(D) The estimated maximum cost of the construction of the Project is \$496,400, of which \$79,000 will be obtained from the proceeds of sale of the Bonds herein authorized, \$27,000 from other funds of the City now on hand and lawfully available for such purpose, and \$390,400 from a grant by Economic Development Administration.

(E) The cost of such construction shall be deemed to include, without being limited to, the construction and acquisition of the Project; the acquisition of any necessary property, real or personal, or interest therein; interest on the 1973 Bonds during and for six months after the estimated completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other

expenses as may be necessary or incidental to the construction and acquisition 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) There are not outstanding any bonds or other obligations of the City which will have priority over or rank on a parity with the Bonds as to lien or source of or security for payment.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the legal holders of any and all such Bonds, and the coupons appertaining thereto, all which shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other thereof, except as expressly provided therein and herein.

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

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

"Bonds" means the \$79,000 Water Revenue Bonds, Series 1973, originally authorized to be issued pursuant to this Ordinance and shall also be deemed to include, where appropriate, the interest coupons attached to the 1973 Bonds; and also includes any additional Bonds hereafter issued on a parity with the 1973 Bonds within the terms, restrictions and

conditions contained in this Ordinance, and the interest coupons appertaining to such additional parity Bonds.

"1973 Bonds" means the Bonds hereby authorized to be issued initially.

"City" means The City of Thomas, in Tucker County, West Virginia, and, where appropriate, also means the Common Council thereof and any department, board, agency or instrumentality thereof in control of the management and operation of the System.

"Clerk" means the Clerk of the City.

"Consulting Engineer" means J. H. Milan, Inc., Consulting Engineers, Dunbar, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineer for the System.

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

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

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

"Herein" means in this Ordinance.

"Holder of the Bonds" or "Bondholder" or any similar term means any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which

shall at the time be registered other than to the bearer, or of any coupons representing interest accrued or to accrue on said Bonds.

"Mayor" means the Mayor of the City.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the City relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

"Original Purchaser" means the purchaser, directly from the City of any series of Bonds issued pursuant hereto, or any part of any such series.

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

"Reserve Requirement" means the maximum annual aggregate amount of interest and principal which will fall due on the Bonds outstanding.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the City, or accrued to the City, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BONDS

Section 2.01. Authorization of 1973 Bonds. Subject and pursuant to the provisions hereof, Bonds of the City to be known as "Water Revenue Bonds, Series 1973" are hereby authorized to be issued in the aggregate principal amount of not exceeding Seventy-Nine Thousand Dollars (\$79,000) for the purpose of financing the costs of the construction and acquisition of the Project.

Section 2.02. Description of 1973 Bonds. The 1973 Bonds may be issued in coupon or single, fully registered form, and shall be dated on the date of delivery thereof. The 1973 coupon Bonds shall be in the denomination of \$1,000 each, shall be numbered in order of maturity, lowest number first, from 1 to 79, inclusive, and shall bear interest from date, payable annually on January 1 of each year, at the rate or rates of not to exceed the rate of five per centum (5%) per annum. The minimum price for the 1973 Bonds shall be the par value thereof. Coupon and single, fully registered 1973 Bonds shall be exchangeable and interchangeable at the expense of the holder on 90 days' notice in writing to the City, provided that any single, fully registered 1973 Bond issued upon initial delivery of the 1973 Bonds by the City shall be exchanged on request of the owner for coupon Bonds at the expense of the City.

The 1973 Bonds shall mature serially in numerical order, lowest numbers first, on January 1 in years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
		1988	\$ 1,000	2001	\$ 2,000
1976	\$ 1,000	1989	1,000	2002	2,000
1977	1,000	1990	1,000	2003	3,000
1978	1,000	1991	1,000	2004	3,000
1979	1,000	1992	2,000	2005	3,000
1980	1,000	1993	2,000	2006	4,000
1981	1,000	1994	2,000	2007	4,000
1982	1,000	1995	2,000	2008	4,000
1983	1,000	1996	2,000	2009	4,000
1984	1,000	1997	2,000	2010	4,000
1985	1,000	1998	2,000	2011	4,000
1986	1,000	1999	2,000	2012	4,000
1987	1,000	2000	2,000	2013	4,000

The 1973 Bonds shall be redeemable prior to their respective stated dates of maturity at the option of the City in whole or in part, in inverse numerical order on January 1, 1985, and on any January 1 thereafter at the price of the par value thereof and accrued interest to the date of redemption, subject to earlier redemption as provided in Section 3.01 hereof upon completion of the Project. If all the 1973 Bonds are held by the Government, all or any number of the 1973 Bonds may be redeemed at any time in inverse numerical order.

Notice of the redemption of any of the 1973 Bonds shall be published at least once not less than thirty nor more than sixty days prior to the date of redemption in a financial newspaper published in the City of New York, New York, and notice of any such redemption shall be sent by registered or certified mail to the holders of registered 1973 Bonds. If all 1973 Bonds to be redeemed are registered other than to bearer, no publication of such redemption need be made. Interest shall cease upon any of the 1973 Bonds so called for prior redemption on the date fixed for redemption, provided payment thereof has been duly made or provided for.

The 1973 Bonds shall be payable with respect to both principal and interest in lawful money of the United States of America at the office of the State Sinking Fund

Commission, Charleston, West Virginia, or at First National City Bank, New York, New York, at the option of the holder unless otherwise provided in and for the single, fully registered Bonds, and shall bear interest from their date, payable in accordance with and upon the surrender of the appurtenant interest coupons as they severally mature.

Section 2.03. Execution of Bonds and Coupons. The Bonds shall be executed in the name of the City by the Mayor and the corporate seal of the City shall be affixed thereto and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bond such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signatures of the present or any future Mayor and Clerk, and the City may adopt and use for that purpose the facsimile signature of any person who shall have been such Mayor or Clerk at the time when said Bonds shall be actually sold and delivered.

The 1973 Bonds may be sold at one time in their entirety or from time to time in installments as the City may determine without preference or priority as to any of the 1973 Bonds on account of any such sale in installments.

Section 2.04. Negotiability and Registration. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of West Virginia and shall pass by delivery except when registered. The 1973 coupon Bonds may be registered as to principal only or converted into bonds registered as to both principal and interest in accordance with the provisions of the forms hereinafter provided.

Section 2.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Bond with all unmatured coupons attached of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder's furnishing the City proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may require. All Bonds and coupons so surrendered shall be canceled and held for the account of the City. If any such Bond or coupon shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond or coupon be destroyed, stolen or lost, without surrender thereof.

Any such duplicate Bond and coupon issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the City, whether or not the destroyed, stolen or lost Bonds or coupons be at

any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued hereunder.

Section 2.06. Bonds Secured by Pledge of Revenues.

The payment of the debt service of all the Bonds shall be secured forthwith equally and ratably by a lien on the revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments into the Sinking Fund and otherwise as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due as herein provided.

Section 2.07. Form of 1973 Bonds and Coupons.

Subject to the provisions hereof, the text of the 1973 Bonds, the provision for registration to be endorsed thereon, the coupons, the single 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 by this Ordinance or any subsequent ordinance or resolution enacted or adopted prior to the issuance thereof:

(Form of Coupon Bonds)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF TUCKER
THE CITY OF THOMAS WATER REVENUE BOND,
SERIES 1973

No.

\$1,000

THE CITY OF THOMAS, in the County of Tucker, State of West Virginia, a municipal corporation of the State of West Virginia (herein called the "City"), for value received, hereby promises to pay to the bearer, or, if this Bond be registered, to the registered holder as herein provided, on the first day of January, , from the revenues hereinafter mentioned, the principal sum of

ONE THOUSAND DOLLARS

with interest thereon at the rate of _____ per centum (%) per annum, payable on the first day of January of each year, upon the presentation and surrender of the annexed coupons as they severally fall due, unless this Bond be converted into a Bond registered as to both principal and interest. Both principal of and interest on this Bond are payable in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York.

The Bonds of the issue and series of which this Bond is one may be redeemed prior to their stated maturities, without premium, at the option of the City as a whole, or in part in inverse numerical order, on any January 1 beginning January 1, 1985, as provided in the Ordinance hereinafter mentioned, subject to earlier redemption if held by the Federal Government or from moneys in the Project Construction Account, all as

provided in said Ordinance. Notice of any such redemption shall be published at least once not less than thirty nor more than sixty days prior to the redemption date in a financial newspaper published in the City of New York, New York. Interest shall cease upon this Bond after the date fixed for redemption if it shall be duly called for prior redemption and payment thereof duly provided for.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Seventy-Nine Thousand Dollars (\$79,000) of like date, tenor and effect, except as to number* and date of maturity issued to finance part of the cost of the construction and acquisition of improvements for the existing public waterworks (herein collectively called the "System") of the City under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 19, Chapter 8 of the West Virginia Code (herein called the "Act") and other applicable statutes, and an Ordinance duly enacted by the Council of the City.

This Bond and the coupons appertaining hereto are payable solely from, and secured by a lien on and pledge of, the revenues derived from the operation of the System, with monthly payments from such revenues to be made into the Sinking Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said Ordinance, and additionally secured by a statutory mortgage lien upon the System as provided in the Act and said Ordinance, and do not and shall not in any event constitute an indebtedness of the City within the meaning of any constitutional

* add "and interest rate" if more than one rate
add "and date of issuance" if more than one date and
delete "date" in line above

or statutory provision or limitation, and the City shall never be obligated to pay this Bond or the interest hereon except from the revenues of the System. The City covenants with the holders of the Bonds of the issue of which this Bond is one to establish and at all times maintain such rates and collect such charges for the services and facilities of the System, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to make the required payments into the Sinking Fund and the reserves and accounts as provided in said Ordinance and to pay all necessary expenses of operating and maintaining the System during such fiscal year, and the City has entered into certain other covenants with the holders of the Bonds of the issue of which this Bond is one, for the terms of which reference is made to said Ordinance.

Additional Bonds, on a parity with this Bond and the Bonds of the issue of which this Bond is one, as to lien and source of and security for payment, may be issued under the provisions and restrictions contained in said Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due form, time and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the issuance of this Bond and of the issue of Bonds of which this Bond is one is not in violation of any constitutional or statutory limitation of indebtedness.

This Bond, under the provisions of the Act, is, and has all the qualities and incidents of, a negotiable instrument.

This Bond and the interest hereon are, under the provisions of the Act, exempt from all taxation by the State of West Virginia and any county, municipality, political subdivision or agency thereof.

IN WITNESS WHEREOF, The City of Thomas has caused this Bond to be signed by its Mayor and its corporate seal to be affixed hereto and attested by its Clerk and the annexed coupons to be executed with the facsimile signatures of said Mayor and said Clerk, all as of the ____ day of _____, 1973.

THE CITY OF THOMAS

By _____
Mayor

ATTEST:
(SEAL)

Clerk

(Form of Coupon)

\$

On the first day of January, 19____, unless the Bond to which this coupon was originally attached shall have been callable and duly called for prior redemption and payment of the redemption price duly made or provided for, The City of Thomas, in Tucker County, West Virginia, will pay to the bearer at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York, solely from the revenues described in the Bond to which this coupon is attached, the sum shown hereon in lawful money of the United States of America, upon presentation and surrender of this coupon, being the interest then due on its Water Revenue Bond, Series 1973, dated _____, 19____, No.

THE CITY OF THOMAS

By _____ (facsimile signature)
Mayor

ATTEST:

(facsimile signature)
Clerk

(Certificate of Conversion)

It is hereby certified over my signature and the official seal of the issuing City that upon the presentation of the within Bond with a written request by the holder thereof for its conversion into a bond registered as to both principal and interest, there have been this day cut off and destroyed ____ interest coupons attached thereto, of the amount and value of _____ each, being all the coupons for interest on the within Bond payable after the date of this certificate, and that the interest at the rate and on the dates stated in the within bond and as was provided by the coupons, as well as the principal, is to be paid to the registered holder hereof, his legal representatives, successors or transferees, at the place stated in the within bond and as was stated in the coupons. The principal of and interest on this Bond shall be payable only to the registered holder hereof named in the registration blank below, or his legal representative, and this Bond shall be transferable only on the books of the registrar kept in the office of the undersigned, and by an appropriate notation in such registration blank. When registered the registrar shall treat the registered owner as the person exclusively entitled to payment of interest and the exercise of all other rights and powers of the owner prior to due presentment for registration of transfer.

Dated: _____, 19__.

(SEAL OF CITY)

_____, Registrar

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Clerk of City as Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Form of Single, Fully Registered Bond)

REVENUE BOND

No. R-1

THE CITY OF THOMAS

Date: _____

FOR VALUE RECEIVED, THE CITY OF THOMAS (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, (herein called the "Government") at its office in Elkins, West Virginia, or at such other place as the Government may hereafter designate in writing, the principal sum of Seventy-Nine Thousand Dollars (\$79,000), plus interest on the unpaid principal balance at the rate of five percent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Interest only on January 1, 1974, and January 1, 1975, and \$4,685 annually thereafter on January 1, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions for the waterworks of the Borrower, is payable solely from the revenues to be derived from the operation of such waterworks after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the waterworks. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia,

including, among others, Article 19 of Chapter 8 of the West Virginia Code (herein called the "Act").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Administration Act of 1961. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

(CORPORATE SEAL)

THE CITY OF THOMAS
(Name of Borrower)

(Signature of Executive Official)

ATTEST:

(Signature of Attesting Official)

Mayor
(Title of Executive Official)

Clerk
(Title of Attesting Official)

(Post Office Box No. or Street Address)

Thomas, West Virginia 26292
(City, State and Zip Code)

RECORD OF ADVANCES

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

TOTAL

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

ARTICLE III

1973 BOND PROCEEDS; REVENUES AND
APPLICATION THEREOF

Section 3.01. 1973 Bond Proceeds; Project Construction Account. All moneys received from the sale of any or all the 1973 Bonds and all moneys received under said grant shall be deposited on receipt by the City in Miners & Merchants Bank, Thomas, West Virginia, a member of Federal Deposit Insurance Corporation (FDIC), in a special account hereby now established and designated as "The City of Thomas 1973 Waterworks Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the City solely for the purposes provided here

Until completion of construction of the Project, the City will transfer from the Project Construction Account and deposit in the Sinking Fund, not later than fifteen days prior to the next interest payment date, such sums as shall be from time to time required to pay the interest becoming due on the 1973 Bonds on such interest payment date.

If the City shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the City may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months

after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be promptly transmitted to the State Sinking Fund Commission with directions that such funds be used immediately to redeem or prepay the latest maturing 1973 Bonds and any residue shall be deposited in the Sinking Fund.

Prior to issuance of the Bonds, the City will deposit in the Project Construction Account, from funds other than Bond proceeds which the City now has lawfully available for such purpose, the sum of \$27,000.

Section 3.02. Covenants as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund and the Reserve Account therein, hereinafter established, a sum sufficient to pay, when due or at the earliest practical redemption date, the entire principal of the Bonds remaining unpaid together with interest accrued and to accrue thereon, the City further covenants with the holders of any and all Bonds issued pursuant hereto as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, except as otherwise provided herein, shall be deposited as collected by the City in a special fund known as the "Revenue Fund", hereby established initially with said Miners & Merchants Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall

be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner provided herein.

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

(1) The City shall first, each month, from the moneys in the Revenue Fund, pay or provide for payment of all current Operating Expenses.

(2) The City shall next, before the end of each month, transfer from the Revenue Fund and remit to the State Sinking Fund Commission, for deposit into the "Sinking Fund", which is hereby established with the State Sinking Fund Commission, one-twelfth of the amount required to pay the interest becoming due on the Bonds on the next interest payment date and, commencing with the month of January, 1975, one-twelfth of the amount of principal maturing on the next Bond principal maturity date.

The City shall also remit to the State Sinking Fund Commission, from time to time, such amounts as shall be required to pay the fiscal charges due to paying agents for paying the Bonds and the interest thereon.

(3) The City shall next, each month, transfer from the Revenue Fund and remit to the State Sinking Fund Commission, for deposit into the Reserve Account, hereby established in the Sinking Fund, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Bonds outstanding until the amount in the Reserve Account equals such maximum annual aggregate amount of interest and principal. After such amount has been accumulated in the Reserve Account, the City shall monthly remit to the State Sinking Fund Commission such part of the moneys remaining in the Revenue

Fund, after such provision for payment of maturing principal of and interest on the Bonds, as shall be required to maintain such amount in the Reserve Account. Moneys in the Reserve Account shall be used solely to make up any deficiency in the Sinking Fund for payment of the principal of and interest on the Bonds as the same shall mature or for mandatory redemption of Bonds as hereinafter provided and for no other purpose.

(4) The City shall next, each month, transfer from the Revenue Fund and remit to the State Sinking Fund Commission the moneys remaining in the Revenue Fund for deposit in the Depreciation Reserve, hereby established with the State Sinking Fund Commission, until there has been accumulated therein the sum of \$3,000 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies in the Sinking Fund for payment of principal of and interest on the Bonds as the same mature, and next to restore to the Reserve Account any sum or sums transferred therefrom to the Sinking Fund. Thereafter, and provided that payments into the Sinking Fund and the Reserve Account therein are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the City and used for extensions, replacements and improvements of the System, or any part thereof.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund, as the case may be, have been fully complied with, any moneys remaining therein may be used to redeem Bonds outstanding or for any lawful purpose in connection with the System, the State Sinking Fund Commission to handle redemption of Bonds upon instructions of the City.

Whenever the moneys in the Sinking Fund and in the Reserve Account therein shall be sufficient to purchase or redeem all Bonds outstanding, it shall be the mandatory duty

of the City, anything to the contrary in this Ordinance notwithstanding, to direct the State Sinking Fund Commission to purchase or redeem all outstanding Bonds at the earliest practical date and in accordance with applicable provisions hereof, any such purchase to be at a price or prices not exceeding the then market price of Bonds so purchased, but in no event exceeding the then redemption price of the Bonds, as to Bonds subject to redemption, and not exceeding the par value of Bonds not subject to redemption but available for purchase.

The State Sinking Fund Commission is hereby designated as the Fiscal Agent for the administration of the Sinking Fund, the Reserve Account and the Depreciation Reserve as herein provided, and all amounts required therefor will be remitted to the State Sinking Fund Commission from the Revenue Fund by the City at the times provided herein, together with written advice stating the amount remitted for deposit into said Fund, Account and Reserve.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholders shall have a lien thereon for further securing payment of the Bonds and the interest thereon. The moneys in excess of the sum insured by FDIC in the Revenue Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to place the required amount in any of the funds or accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to those which would other-

wise be required to be made into the funds or accounts on the subsequent payment dates.

The State Sinking Fund Commission shall keep the moneys in the Sinking Fund, the Reserve Account and the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund and the Reserve Account therein a sum sufficient to pay when due, or redeem or purchase prior to maturity, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon and any applicable redemption premiums, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the City and the Bondholders.

Section 4.02. Rates. The City 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 average annual debt service on all Bonds outstanding and to make the payments required herein to be made into the Sinking Fund, the Reserve Account and the Depreciation Reserve, and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay all the Bonds and the interest thereon as herein provided. The proceeds from such sale, mortgage, lease or other disposition

of the System shall immediately be remitted to the State Sinking Fund Commission and the City shall direct said Commission to apply such proceeds to the payment of the principal of and interest on the Bonds at the redemption prices for the respective series, or upon purchase of Bonds available for purchase at the then current market price not exceeding the par value thereof plus accrued interest to the date of purchase. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the City by the State Sinking Fund Commission unless necessary for the payment of other obligations issued by the City and payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof, provided that the net book value thereof does not exceed \$5,000. Prior to any such sale, lease or other disposition of said property, the general manager or other duly authorized officer in charge of the System shall make a finding in writing, concurred in by resolution of the Council, determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and such proceeds shall be deposited in the Depreciation Reserve.

Payments of such proceeds into the Depreciation Reserve shall not reduce the amounts required to be paid into the Depreciation Reserve by other provisions hereof.

Section 4.04. Covenant Against Encumbrances. The City will not issue any obligations whatsoever, except addi-

tional parity Bonds hereinafter provided for, payable from the revenues of the System which rank prior to or equally as to lien on and source of and security for payment from such revenues with the Bonds; and all obligations hereafter issued by the City payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues, and in all other respects, to the Bonds.

Except as herein provided as to additional parity Bonds, the City will not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged hereby as security therefor, or upon the System or any part thereof.

Section 4.05. Issuance of Additional Parity Bonds.

No additional parity Bonds, as in this Section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant hereto, except under the conditions and in the manner herein provided.

(A) No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, additions and improvements to the System or refunding Bonds issued hereunder, except as provided in subsection (G) of this Section.

(B) No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk a written certification by a certified public accountant not in the regular employ of the City based upon the necessary investigation, reciting the conclusion that the net revenues, as defined herein, actually derived from

the System during the fiscal year immediately preceding the date of the issuance of such additional parity Bonds, shall have been not less than one hundred twenty per centum (120%) of the average aggregate amount which will mature or become due in any succeeding fiscal year for principal of and interest on the Bonds then outstanding and on the additional parity Bonds then proposed to be issued. This limitation may be waived or modified by the written consent of Bondholders representing 75% of each Series of the then outstanding Bonds issued pursuant hereto.

(C) Prior to the issuance of any such additional parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such additions, extensions or improvements to the System which are to be financed by such additional parity Bonds.

(D) The term "additional parity Bonds", as used in this Section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this Section, payable from the revenues of the System on a parity with the 1973 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the holders of any Bonds issued pursuant to this Ordinance and the holders of any additional parity Bonds subsequently issued within the limitations of and in compliance with this Section. All such Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System, and their source of and security for payment from said revenues, without preference of any Bond or coupon over any other. The City shall comply fully with all the

increased payments into the various funds created herein required for such additional parity Bonds, in addition to the payments required for Bonds originally issued hereunder. Redemption of Bonds prior to maturity in the event that the 1973 Bonds and additional parity Bonds hereby authorized are outstanding, shall as nearly as practical be on an equal pro rata basis reflecting the original amounts of each issued.

(E) All additional parity Bonds issued pursuant to this Section shall mature on January 1 of each year of maturity, and the interest thereon shall be payable January 1 of each year.

(F) No additional parity Bonds shall be issued at any time unless all the payments into the respective Funds provided for herein on Bonds then outstanding and all other payments provided for herein shall have been made or paid up as required to the date of issuance of the additional parity Bonds and the City shall have fully complied with all the covenants, agreements and terms hereof or shall have remedied any deficiency in such compliance.

(G) With the written consent in advance of the original purchaser of the 1973 Bonds and of Farmers Home Administration and anything to the contrary in subsections (A), (B) and (C) of this Section notwithstanding, additional parity Bonds may be authorized and issued by the City pursuant to supplemental ordinance in the event that the 1973 Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction of the Project. Any such additional parity Bonds authorized and issued under the provisions of this subsection shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of such construction costs,

and the maturities of any such additional parity Bonds shall be in years and amounts suggested by said original purchaser and Farmers Home Administration.

Section 4.06. Insurance and Bonds. The City hereby covenants and agrees that so long as any of the Bonds remain outstanding, it will, as an expense of operation and maintenance of the System, procure, carry and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the City will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The City will itself, or will require each contractor and subcontractor to obtain and maintain builder's risk insurance to protect the interests of the City during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than \$100,000 for one person and \$300,000 for more than one person injured or killed in one accident to protect the City from claims for bodily injury and/or death, and not less than \$50,000 from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured at the commencement of construction of the Project.

(c) Vehicular Public Liability Insurance, in the event the City owns or operates any vehicle in the operation

of the System, or in the event that any vehicle not owned by the City is operated for the benefit of the City with limits of not less than \$100,000 for one person and \$300,000 for more than one person injured or killed in one accident to protect the City from claims for bodily injury and/or death, and not less than \$50,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

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

(e) Fidelity Bonds will be provided as to every officer and employee of the City having custody of the Revenue Fund 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, and initially in the amount of \$5,000 upon the Clerk, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Government holds any of the Bonds, the City will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the City and during such construction will require each

prime contractor to carry insurance, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptable to the Government.

Section 4.07. Statutory Mortgage. For the further protection of the holders of the Bonds and the coupons appertaining thereto, 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.

Section 4.08. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of the principal, and, if any premium be due, of such premium, of any of the Bonds either at the date therein specified for their payment or by proceedings for redemption or otherwise;

(B) Failure to make payment of any installment of interest due on any of the Bonds on the date specified for the payment of such interest;

(C) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the City in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law, provided any such failure or violation, excluding those covered in (A) and (B) above in this Section, shall continue for a period of thirty days after written notice shall have been given to the City by any Bondholder specifying such failure or violation and requiring the same to be remedied.

Section 4.09. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, any Bondholder may proceed to protect and enforce the rights of the Bondholders 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 such Bondholder, such court may, upon proof of such default, appoint a receiver for the affairs of the City and the System. The receiver so appointed shall administer the System on behalf of the City, shall exercise all the rights and powers of the City with respect to the System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.10. No Priority Between Bonds. The Bonds, as herein defined, shall not be entitled to priority one over the other in the application of the revenues of the System or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention hereof that there shall be no priority among such Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Section 4.11. Fiscal Year; Budget. While any 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 City agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Council. Copies of each Annual Budget shall be delivered to the Government, by the beginning of each fiscal year and shall be

mailed to the original purchaser of the 1973 Bonds and to those Bondholders who shall have filed their names and addresses with the Clerk for such purpose.

If for any reason the City 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 City. Each such Budget of Current Expenses shall be delivered and mailed immediately as in the case of the Annual Budget.

Section 4.12. Covenant to Proceed and Complete.

The City hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Clerk on the date of enactment hereof, subject to permitted changes.

Section 4.13. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City in which complete and correct entries shall be made of all transactions relating to the System, and any holder of a Bond or Bonds, his agents and representatives, shall have the right at all reasonable times to inspect the System and all records, accounts and data of the City relating thereto.

The City shall, at least once a year, cause said books, records and accounts of the System to be properly

audited by an independent competent firm of certified public accountants, shall mail a copy of such audit report to the Government and the original purchaser of the Bonds, and shall make available the report of said accountants at all reasonable times to any holder or holders of the Bonds, or any customer receiving services from the System, or anyone acting for and in behalf of such Bondholder, Bondholders or customer. The Government, so long as it holds all the Bonds, may permit substitution of a copy of the annual audit report by the office of the State Tax Commissioner for the copy of annual audit report by a certified public accountant.

Section 4.14. Maintenance of the System. The City covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as any of the Bonds are outstanding.

Section 4.15. No Competition. The City 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 City or within the territory served by the System.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges;

Rules. A. The initial schedule of rates and charges for the services and facilities of the System shall be as follows:

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES FOR WATER CONSUMPTION

First	2,000 gallons used per month	\$1.40 per 1,000 gallons
Next	3,000 gallons used per month	1.20 per 1,000 gallons
Next	5,000 gallons used per month	1.10 per 1,000 gallons
Next	10,000 gallons used per month	.90 per 1,000 gallons
All over	20,000 gallons used per month	.70 per 1,000 gallons

MINIMUM CHARGE

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

5/8 inch meter	\$ 2.80 per month
3/4 inch meter	4.02 per month
1 inch meter	7.16 per month
1-1/2 inch meter	16.12 per month
2 inch meter	28.62 per month
3 inch meter	64.51 per month

DELAYED PAYMENT PENALTY AND RECONNECT CHARGE

Water bills are payable when rendered. On all accounts not paid in full within ten (10) days of date of bill, ten percent (10%) will be added to the net amount shown. If any water bill is not paid within forty (40) days of the date thereof, water service to the customer shall be shut off and the meter locked. On such shutting off of service, water service shall not be restored until all past due water bills shall have been paid in full, and all accrued penalties, plus a reconnect charge of fifteen (\$15.00) dollars. Notice of discontinuance will be given in accordance with Public Service Commission Rules and Regulations for the Government of Water Utilities.

CONNECTION CHARGE (TAP FEES)

The connection charge (tap fee) to be charged each customer in advance, following completion of the Project, shall be \$100. Until completion of construction, the connection charge shall be \$25.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, house trailer (mobile house) court or park, each family or business unit shall be required to pay not less than the minimum monthly charge herein established for a 5/8x3/4" meter. Motels and hotels shall pay according to the size of the meter installed.

TRAILER COURTS

House trailer courts shall be provided with a master meter (or master meters). No bill shall be rendered for less than the following:

\$2.52 multiplied by the number of units situated on the court site at the time the meter is read or the minimum charge for the size meter installed, whichever is greater. House trailer (as used hereinabove) shall include both mobile and immobile units.

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

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

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

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

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

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

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

ARTICLE VI
MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code.

Contemporaneously with the delivery of the Bonds, or sooner, the City shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such Financing Statements in the offices of the Secretary of State of the State of West Virginia and of the Clerk of the County Court of said County.

Section 6.02. Modification or Amendment. No material modification or amendment of this Ordinance, or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of each series of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of any of the Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the City to pay the principal of and interest on the Bonds as the same shall become due from the revenues of the System, without the consent of the holders of such Bonds. Notwithstanding the above, no amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications, and for consent of 75% of the holders of each Series of Bonds outstanding to waiver or modification of the limitation upon issuance of additional parity Bonds contained in Section 4.05B.

Section 6.03. Sale of 1973 Bonds. The Clerk is hereby authorized and directed to cause notice for bids for the purchase of the 1973 Bonds, but not less than all, to

be published at least once not less than five days prior to the date fixed for the receipt of bids, in a newspaper published and of general circulation in said County.

Section 6.04. Refunding of Bonds Permitted. The City reserves the right to refund the Bonds, subject to applicable provisions of West Virginia law, when in its judgment it would be to the best interests of the City and of its inhabitants so to do. Upon payment of all the Bonds outstanding, prior to or simultaneously with the issuance of any refunding bonds or of an issue of bonds for the purposes of refunding the Bonds then outstanding and providing funds for additions, extensions and improvements to the System, or upon provision for such payment by deposit irrevocably in trust, with the State Sinking Fund Commission of West Virginia, of a sum equal to the principal amount of the Bonds outstanding, plus an amount equal to all interest accrued and to accrue to the date of payment or redemption of such Bonds, and plus an amount sufficient to pay all applicable redemption premiums on the earliest practical redemption date, the security, pledge and any lien applicable to the Bonds then outstanding shall immediately cease. The sum so deposited in trust shall be used solely to pay at the earliest practical redemption date the principal amount of the Bonds and all interest thereon to the date of redemption and the applicable redemption premiums, or to purchase Bonds at not to exceed the par value of the Bonds plus interest accrued to date of purchase. The moneys so deposited may be invested by the State Sinking Fund Commission in direct obligations of the United States of America or obligations the payment of the principal of and interest on which is guaranteed by the United States of America, having maturities not later than the dates on which the moneys all

be required to be used for such redemption.

Section 6.05. Severability of Invalid Provision.

If any one or more of the covenants, agreements or provisions of this Ordinance 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, and shall in no way affect the validity of all the other provisions hereof or the Bonds or coupons appertaining thereto.

Section 6.06. 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.

Section 6.07. Table of Contents and Headings.

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

Section 6.08. Effective Time.

This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 6.09. Statutory Notice and Public Hearing.

Upon enactment hereof, an abstract of this Ordinance determined by the Council to contain sufficient information to give notice of the contents of this Ordinance, 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 Parsons Advocate, a newspaper

published and of general circulation in the said County, no newspaper being published in the City, publication of which abstract of this Ordinance shall be together with a notice stating that this Ordinance has been enacted and that a certified copy of this Ordinance is on file with the Council in the office of the Clerk for review by interested persons during office hours of the Clerk, and that the City contemplates the issuance of the 1973 Bonds, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the second publication of the said abstract and notice, and present protests. At such hearing, all objections and suggestions shall be heard, and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading Feb. 26, 1973

Passed on Second and
Final Reading March 24, 1973

Effective following public hearing held on the
date of Second and Final Reading stated above.

R. E. Helmsick
Mayor

Ruth E. DePelle
Clerk



CITY OF THOMAS

Water Revenue Bond, Series 1982

BOND ORDINANCE

Table of Contents

<u>Subject</u>	<u>Page</u>
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01 Authority for This Ordinance	1
Section 1.02 Findings and Determinations	1
Section 1.03 Ordinance to Constitute Contract	3
Section 1.04 Definitions	3
Section 1.05 Compliance with Requirements of 1973 Ordinance	5
ARTICLE II - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND	
Section 2.01 Authorization of Bond	6
Section 2.02 Description of Bond	6
Section 2.03 Execution of Bond	6
Section 2.04 Bonds Mutilated, Destroyed, Stolen or Lost	6
Section 2.05 Bond Secured by Pledge of Revenues	6
Section 2.06 Form of Bond	7
FORM OF BOND	8
RECORD OF ADVANCES	12
ASSIGNMENT	12
ARTICLE III - BOND PROCEEDS; REVENUES AND APPLICATION THEREOF	
Section 3.01 Bond Proceeds; Project Construction Account	13
Section 3.02 Covenants of the Issuer as to Revenues and Funds	13
ARTICLE IV - GENERAL COVENANTS	
Section 4.01 General Statement	17
Section 4.02 Rates	17
Section 4.03 Sale of the System	17
Section 4.04 Issuance of Additional Parity Bonds	17
Section 4.05 Insurance and Bonds	17

Section 4.06	Statutory Mortgage	19
Section 4.07	Events of Default	19
Section 4.08	Enforcement	19
Section 4.09	Fiscal Year; Budget	19
Section 4.10	Covenant to Proceed and Complete	20
Section 4.11	Books and Records	20
Section 4.12	Maintenance of System	20
Section 4.13	No Competition	20
Section 4.14	Concerning Arbitrage	21

ARTICLE V - RATES, ETC.

Section 5.01	Initial Schedule of Rates and Charges; Rules	22
--------------	---	----

ARTICLE VI - MISCELLANEOUS

Section 6.01	Modification or Amendment	23
Section 6.02	Delivery of Bond No. 1	23
Section 6.03	Severability of Invalid Provision	23
Section 6.04	1973 Ordinance	23
Section 6.05	Table of Contents and Headings	23
Section 6.06	Effective Time	23
Section 6.07	Statutory Notice and Public Hearing	23

SIGNATURES		24
------------	--	----

02/26/82
THOMAS-B

CITY OF THOMAS

ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF THOMAS, TUCKER COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$109,000 IN PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1982; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH WATER REVENUE BONDS, SERIES 1982

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF THOMAS:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

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

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

(A) The City of Thomas (the "Issuer"), in the County of Tucker, State of West Virginia, is now served by a public waterworks system (the "System"), but such System is not adequate. The inhabitants of the Issuer and surrounding area served by the System urgently require that the System be improved as herein provided.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed additions, extensions and improvements to the existing waterworks system of the Issuer consisting of remedial construction of the City of Thomas Reservoir, including raising the earth impoundment and rebuilding the spillway with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the

Recorder of the Issuer. The construction and acquisition of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

(C) It is necessary for the Issuer to issue its revenue bond in the principal amount of \$109,000 to finance a portion of the cost of the Project in the manner hereinafter provided.

(D) The estimated maximum cost of the construction of the Project is \$289,900, of which \$109,000 will be obtained from the proceeds of sale of the Bond herein authorized, \$180,900 from a grant by the United States Department of Housing and Urban Development.

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

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

(G) There are outstanding obligations of the Issuer which will rank on a parity with the Bond as to lien and source of and security for payment, being the Water Revenue Bonds of the Issuer, dated June 27, 1974 (the "1973 Bonds"), issued in the original principal amount of \$79,000. The 1973 Bonds are held by the Government and the Government has commented, in writing, to the issuance of the Bond on a parity with the 1973 Bonds.

(H) The Government is expected by the Issuer to purchase the entire principal amount of the Bond.

(I) The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bond, or will have so complied prior to issuance of the Bond including, among other things, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The rates, charges and rules provided in Article V hereof

shall be in full force and effect except as changed by said Public Service Commission, in case of appeal.

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

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

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

"Bond" means the \$109,000 Water Revenue Bond, Series 1982, authorized hereby to be issued pursuant to this Ordinance.

"Bonds" means collectively, the Bond and the 1973 Bonds.

"1973 Bonds" means the Water Revenue Bonds of the Issuer, dated June 27, 1974, issued in the original principal amount of \$79,000.

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

"Consulting Engineer" means Triad Engineering Consultants, Inc., a professional association, of Morgantown, West Virginia, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

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

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

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

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

"Herein" means in this Bond Legislation.

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

"Issuer" means the City of Thomas, in Tucker County, West Virginia, and includes the Governing Body.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

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

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

"Recorder" means the Recorder of the Issuer.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"System" means the Project initially, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any

and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system after completion of the Project.

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

Section 1.05. Compliance with Requirements of 1973 Ordinance. The issuance of the Bond on a parity in all respects with the 1973 Bonds is permitted under the terms of the Ordinance adopted by the Issuer on March 24, 1973, authorizing issuance of the 1973 Bonds, with the prior written consent of the Purchaser, which consent has been obtained.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Ordinance, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1982," is hereby authorized to be issued in the aggregate principal amount of not exceeding One Hundred Nine Thousand Dollars (\$109,000) for the purpose of financing a portion of the cost of the construction and acquisition of the Project.

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

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

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

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

Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for, on a parity as to lien, pledge and all other respects with the 1973 Bond. The net revenues derived from the System in an

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

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

(Form of Bond)

WATER REVENUE BOND, SERIES 1982

CITY OF THOMAS

\$109,000

No. 1

Date: August 10, 1982

FOR VALUE RECEIVED, the CITY OF THOMAS (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE HUNDRED NINE THOUSAND DOLLARS (\$109,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only, commencing on the 30th day following delivery of the Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof and \$536.00, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

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

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

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

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

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

This Bond is on a parity in all respects with the 1973 Bonds described in the said Ordinance.

CITY OF THOMAS
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

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

Thomas, West Virginia 26292
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

RECORD OF ADVANCES

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

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

ARTICLE III

BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

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

Until completion of construction of the Project, the Issuer will transfer from the Project Construction Account and pay to the Government on or before the 15th day of each month, such sums as shall be from time to time required to make the monthly installment payments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

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

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

Section 3.02. Covenants of the Issuer as to Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund established, by the 1973 Ordinance and continued herein, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants

with the Purchaser as follows, changes in the funds established and continued by the 1973 Ordinance to be made as shown below:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" was established by the 1973 Ordinance. The Revenue Fund is now on deposit with the Miners and Merchants Bank, Thomas, West Virginia. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided in the Ordinances. The holder of the Bond shall have a lien on and a pledge, hereby granted, of all the gross revenues of the System and a statutory mortgage lien granted by the Act, so long as the Bond remains unpaid.

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

(1) The Issuer shall first, each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, on or before the due date, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond and the West Virginia Municipal Bond Commission, respectively, or otherwise the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the respective life of each Bond issue.

(3) The Issuer shall next, by the 15th day of each month, transfer from the Revenue Fund and deposit with the West Virginia Municipal Bond Commission in the Reserve Fund established by the 1973 Ordinance with said Commission, 1/12th of 1/10th of the amount of principal and interest becoming due on the Bonds in any year until the amount in the Reserve Fund equals the sum of \$11,200, such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining

in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of operating expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bonds to said National Finance Office and the West Virginia Municipal Bond Commission, respectively, as the same shall become due or for prepayment of installments on the Bonds, or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose.

(4) The Issuer shall next, by the 15th day of each month, transfer from the Revenue Fund and deposit in the Depreciation Reserve established by the 1973 Ordinance with the West Virginia Municipal Bond Commission the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Reserve the aggregate sum of \$24,000 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bonds as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

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

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bonds in full, it shall be the mandatory duty of the Issuer,

anything to the contrary herein notwithstanding, to prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but neither the aforesaid Bank nor the West Virginia Municipal Bond Commission shall be a trustee as to such funds. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

(C) User Contracts. The Issuer shall, prior to delivery of the Bond, provide evidence that the System will serve 351 bona fide full time users when it is ready to be placed in operation.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the 1982 Reserve Fund a sum sufficient to prepay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchaser.

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

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

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

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

(A) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the

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

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

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

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

(E) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$10,000 upon the Recorder, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(F) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will

require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 4.06. Statutory Mortgage. For the further protection of the Purchaser, 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 be for the equal benefit of the Bonds.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

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

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

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

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

Section 4.09. Fiscal Year; Budget. While the Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures

for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each fiscal year.

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

Section 4.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 4.11. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

Section 4.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bonds are outstanding.

Section 4.13. No Competition. The Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the

System within the boundaries of the Issuer or within the territory served by the System.

Section 4.14. Concerning Arbitrage. The proceeds of sale of the Bond will not be invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The schedule of rates and charges for the services and facilities of the System shall be as set forth in a separate Ordinance of the Issuer enacted February 2, 1982.

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

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. When such fees, rates and charges have been delinquent for thirty days, the Issuer shall have power pursuant to the Act forthwith to foreclose the lien on the premises served in the same manner provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property.

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

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

ARTICLE VI

MISCELLANEOUS

Section 6.01. Modification or Amendment. No material modification or amendment of this Bond Legislation, or of any Bond Legislation amendatory hereof or supplemental hereto, may be made without the consent in writing of the Purchaser.

Section 6.02. Delivery of Bond No. 1. The Mayor is hereby authorized and directed to cause Bond No. 1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 6.03. 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 6.04. 1973 Ordinance. The 1973 Ordinance and all parts thereof not expressly hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the 1973 Ordinance. All provisions of the 1973 Ordinance changed hereby shall be null and void.

Section 6.05. 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 6.06. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 6.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Governing Body to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the Parsons Advocate, a newspaper published and of general circulation in the County of Tucker, no newspaper being published in

the City of Thomas, 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 Common Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the ordinance is on file with the governing body of the Issuer for review by interested parties during the office hours of the governing body.

At such hearing, all objections and suggestions shall be heard and the Common Council shall take such action as it shall deem proper in the premises.

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

March 2, 1982

March 15, 1982

Mayor

Joe DePalle

Recorder

Mary F. Buckley

08/02/82
THOMAS-A



COMMERCIAL AND INDUSTRIAL
SERVICE SETTING DELAYED
PAYMENT PENALTY,
RECONNECTION CHARGE AND
CONNECTION CHARGE

Be it ordered by the council of the
City of Thomas, West Virginia, that:

Article One

That the water rates, delayed pay-
ment penalty, reconnection charge and
connection charge and water rates on
Domestic, Commercial and Industrial
service shall be as follows:

RATES:

First 2,000 gallons used per month
3.75 per 1,000 gallons; Next 3,000 gal-
lons used per month 3.30 per 1,000 gal-
lons; Next 5,000 gallons used per
month 3.05 per 1,000 gallons; Next
10,000 gallons used per month 2.65 per
1,000 gallons; all over 20,000 gallons
used per month 2.15 per 1,000 gallons.
MINIMUM CHARGE:

5/8- x 1/2-inch meter or smaller 7.50
for 2,000 gallons or less; 3/4-inch meter
or smaller 11.30 for 3,152 gallons or
less; 1-inch meter or smaller 18.75 for
5,443 gallons or less; 1 1/4-inch meter or
smaller 27.35 for 8,262 gallons or less;
1 1/2-inch meter or smaller 37.50 for
11,830 gallons or less; 2-inch meter or
smaller 60.00 for 20,395 gallons or less;
3-inch meter or smaller 112.50 for
44,814 gallons or less; 4-inch meter or
smaller 187.50 for 79,697 gallons or
less; 5-inch meter or smaller 375.00 for
166,907 gallons or less.

DELAYED PAYMENT PENALTY:

The above tariff is net. Any account
not paid in full within twenty (20) days
of date of bill, ten percent (10%) will be
added to the amount due. This delayed
payment penalty is not interest and is
only to be collected once for each bill
where it is appropriate.

DISCONNECT FOR
NON-PAYMENT:

The utility may disconnect service to
any customer for non-payment of
bill but must first make a diligent ef-
fort to induce the customer to pay the
same and no discontinuance shall be
effected until after at least twenty-
four (24) hours written notice to the
customer.

RECONNECTION FEES:

Service shall not be restored until all
amounts in arrears including penalties
plus reconnection fee of \$15.00 have
been paid.

CONNECTION CHARGE:

Prior to award of construction con-
tract, the connection fee for new ser-
vice shall be \$50.00. After completion
of construction adjacent to user's
property, the connect charge shall be
\$150.00.

Article Two

Any customer aggrieved by the
changed rate or charge, within thirty
(30) days of the adoption of this or-
dinance changing rates or charges,
may present to the Public Service
Commission of West Virginia, Charle-
ston, West Virginia, a petition signed
by not less than twenty-five percent
(25%) of the water customers served
by the City of Thomas.

A copy of the proposed ordinance
shall be published at least five (5) days
before the meeting of the Council at
which the ordinance is to be finally
adopted.

Copies of this proposed ordinance
shall be available to the public at the
Office of the Mayor in the City Hall,
Thomas, West Virginia.

Any person interested may appear,
before the Council of the City of
Thomas, West Virginia, in the Council
Chambers in the City Building on the
22nd day of July, 1986, at 6:00 p.m. at
which time the proposed ordinance
shall come on for final reading, and
said person and/or persons at said time
and place present protest or protests
as such person and/or persons may
seem proper.

DATED this the 8th day of July,
1986.

Mayor, City of Thomas
Tucker Co., W.Va.

CERTIFICATE OF PUBLICATION

I, George A. Smith, Jr., publisher of *The Parsons
Advocate*, a weekly newspaper published at
Parsons, West Virginia, do hereby certify that

the annexed

in the case of *Ordinance*

addressing water rates

VS.

has been published for ... consecutive weeks
in said newspaper, beginning with the issue of

July 16, 1986

Given under my hand this ... 17 ... day of

July, 19...
George A. Smith, Jr., Publisher

Publication fee \$ *33.80*.

13" or 674 words at 5 each

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

George A. Smith, Jr., publisher of *The Par-
sons Advocate*, being duly sworn, says that
statements contained in the above certificate
are true and correct, to the best of his knowl-
edge and belief.

George A. Smith, Jr., Affiant

Sworn to and subscribed before me, this the
... 17 ... day of *July*, 19...*86*.

Galsie M. Lewis

Notary Public

My commission expires *Oct. 19, 1986*

AN ORDINANCE RE-ENACTING AN ORDINANCE INCREASING WATER RATES FOR DOMESTIC, COMMERCIAL AND INDUSTRIAL SERVICE, SETTING DELAYED PAYMENT PENALTY, RECONNECTION CHARGE AND CONNECTION CHARGE FOR SERVICE CUSTOMERS OF THE WATERWORKS SYSTEM FOR THE CITY OF THOMAS

CERTIFICATE OF PUBLICATION

THE COUNCIL OF THE CITY OF THOMAS HEREBY ORDAINS: The following schedule of water rates, delayed payment penalty, reconnection charge and connection charge are hereby fixed and determined as the water rates, delayed payment penalty, reconnection charge and connection charge to be charged to customers of the waterworks system of the City of Thomas throughout the territory served:

SECTION 1. SCHEDULE OF RATES

AVAILABILITY OF SERVICE

Available for domestic, commercial and industrial service. RATES

- First: 2,000 gallons used per month 3.75 per 1,000 gallons
Next: 3,000 gallons used per month 3.30 per 1,000 gallons
Next: 5,000 gallons used per month 3.05 per 1,000 gallons
Next: 10,000 gallons used per month 2.65 per 1,000 gallons
All over: 20,000 gallons used per month 2.15 per 1,000 gallons

MINIMUM CHARGE

- 5/8 x 3/4 inch meter or smaller 7.50 for 2,000 gallons or less
3/4 inch meter or smaller 11.30 for 3,152 gallons or less
1 inch meter or smaller 18.75 for 5,443 gallons or less
1 1/4 inch meter or smaller 27.35 for 8,262 gallons or less
1 1/2 inch meter or smaller 37.50 for 11,830 gallons or less
2 inch meter or smaller 60.00 for 20,395 gallons or less
3 inch meter or smaller 112.50 for 44,814 gallons or less
4 inch meter or smaller 187.50 for 79,697 gallons or less
5 inch meter or smaller 375.00 for 166,907 gallons or less

DELAYED PAYMENT PENALTY

The above tariff is net. Any account not paid in full within 20 days of date of bill, 10% will be added to the amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT

The utility may disconnect service to any customer for non-payment of bill but must first make a diligent effort to induce the customer to pay the same and no discontinuance shall be effected until after at least 24 hours written notice to the customer.

RECONNECTION FEES

Service shall not be restored until all amounts in arrears including penalties plus reconnection fee of \$15.00 have been paid.

CONNECTION CHARGE

Prior to award of construction contract, the connection fee for new service shall be \$50.00. After completion of construction adjacent to user's property, the connection charge shall be \$150.00.

SECTION 2. EFFECTIVE DATE

The water rate, delayed payment penalty, reconnection charge and connection charge provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of the water rates, delayed penalty, reconnection charge and connection charge as herein set forth, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction and adoption at first reading hereof, the Recorder/Clerk shall publish a copy of this Ordinance and a notice at least 5 days before the meeting at which this Ordinance is to be finally adopted, one time in The Parsons Advocate, being the only newspaper published and of general circulation in Tucker County, West Virginia, and being of general circulation in the City of Thomas, and said notice shall state the subject matter and general title of this Ordinance, that this Ordinance has been introduced and adopted at first reading, and that any person interested may appear before Council of the City of Thomas in the Council Chambers at the City Building in Thomas, West Virginia, on the 10th day of November, 1987 at 6:30 p.m. which is the date, time and place of the proposed final vote on adoption and be heard with respect to the proposed ordinance. At such hearing all objections and suggestions shall be heard and the Council shall take action as it shall deem proper in the premises. Copies of the proposed ordinance shall be available to the public for inspection at the office of the Mayor in the City Hall, Thomas, West Virginia.

The above Ordinance has been introduced at the meeting of Council held October 14, 1987.

Walt Renall
Mayor
Mary F. Buckler
Recorder/Clerk

CERTIFICATION

The foregoing Rate Ordinance has been introduced and adopted on first reading at a meeting of Council held October 14, 1987. Any person interested may appear before Council of the City of Thomas in the Council Chambers at the City Building in Thomas, West Virginia, on the 10th day of November, 1987, at 6:30 p.m., being the date, time and place of the proposed final adoption of the Rate Ordinance, and be heard with respect to the proposed ordinance. Council will then take such action as it shall deem proper in the premises.

The proposed ordinance may be inspected by the public at the Office of the Mayor in the City Hall, Thomas West Virginia.

The proposed Rate Ordinance re-enacts the existing water rates, delayed payment penalty, reconnection charge and connection charge in connection with a proposed \$77,000 loan from Farmers Home Administration to finance improvements to the existing waterworks system of the City and will not impose or result in any increase in such water rates, delayed payment penalty, reconnection

I, George A. Smith, Jr., publisher of The Parsons Advocate, a weekly newspaper published at Parsons, West Virginia, do hereby certify that

the annexed

in the case of Rate increase

vs.

has been published for 1 consecutive weeks in said newspaper, beginning with the issue of

Oct 21, 1987

Given under my hand this 28 day of

Oct 19 87

George A. Smith, Jr. Publisher

Publication fee \$ 88.40

34 inches or 1768 words at \$4 each

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

George A. Smith, Jr., publisher of The Parsons Advocate, being duly sworn, says that statements contained in the above certificate are true and correct, to the best of his knowledge and belief.

George A. Smith, Jr. Affiant

Sworn to and subscribed before me, this the 28 day of Oct 19 87

Notary Public

My commission expires 12/31/87, 1987

15A

AN ORDINANCE INCREASING WATER RATES
FOR DOMESTIC, COMMERCIAL AND INDUSTRIAL SERVICE
SETTING DELAYED PAYMENT PENALTY,
RECONNECTION CHARGE AND CONNECTION CHARGE

BE IT ORDERED BY THE COUNCIL OF THE CITY OF THOMAS, WEST VIRGINIA, THAT:

ARTICLE ONE

That the water rates, delayed payment penalty, reconnection charge and connection charge and water rates on Domestic, Commercial and Industrial service shall be as follows:

RATES:

First	2,000 gallons used per month	3.75 per 1,000 gallons
Next	3,000 gallons used per month	3.30 per 1,000 gallons
Next	5,000 gallons used per month	3.05 per 1,000 gallons
Next	10,000 gallons used per month	2.65 per 1,000 gallons
All over	20,000 gallons used per month	2.15 per 1,000 gallons

MINIMUM CHARGE:

5/8 x 3/4	inch meter or smaller	7.50 for	2,000 gallons or less
3/4	inch meter or smaller	11.30 for	3,152 gallons or less
1	inch meter or smaller	18.75 for	5,443 gallons or less
1 1/4	inch meter or smaller	27.35 for	8,262 gallons or less
1 1/4	inch meter or smaller	37.50 for	11,830 gallons or less
2	inch meter or smaller	60.00 for	20,395 gallons or less
3	inch meter or smaller	112.50 for	44,814 gallons or less
4	inch meter or smaller	187.50 for	79,697 gallons or less
5	inch meter or smaller	375.00 for	166,907 gallons or less

DELAYED PAYMENT PENALTY:

The above tariff is net. Any account not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the amount due. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT:

The utility may disconnect service to any customer for non-payment of bill but must first make a diligent effort to induce the customer to pay the same and no discontinuance shall be effected until after at least twenty-four (24) hours written notice to the customer.

RECONNECTION FEES:

Service shall not be restored until all amounts in arrears including penalties plus reconnection fee of \$15.00 have been paid.

CONNECTION CHARGE:

Prior to award of construction contract, the connection fee for new service shall be \$50.00. After completion of construction adjacent to user's property, the connect charge shall be \$150.00.

ARTICLE TWO

Any customer aggrieved by the changed rate or charge, within thirty (30) days of the adoption of this ordinance changing rates or charges, may present to the Public Service Commission of West Virginia, Charleston, West Virginia, a petition signed by not less than twenty-five percent (25%) of the water customers served by the City of Thomas.

A copy of the proposed ordinance shall be published at least five (5) days before the meeting of the Council at which the ordinance is to be finally adopted.

Copies of this proposed ordinance shall be available to the public at the Office of the Mayor in the City Hall, Thomas, West Virginia.

Any person interested may appear before the Council of the City of Thomas, West Virginia, in the Council Chambers in the City Building on the 22nd day of July, 1986, at 6:00 p.m. at which time the proposed ordinance shall come on for final reading, and said person and/or persons at said time and place present protest or protests as such person and/or persons may seem proper.

DATED this the 8th day of July, 1986.

Walt J. Kanath
Mayor, City of Thomas,
Tucker County, West Virginia

First Reading/July 8, 1986 - Approved
Second Reading/July 11, 1986 - Approved
Third Reading/ July 22, 1986 - Approved

New Rates to become effective August 1, 1986

AN ORDINANCE RE-ENACTING AN ORDINANCE INCREASING WATER RATES FOR DOMESTIC, COMMERCIAL AND INDUSTRIAL SERVICE, SETTING DELAYED PAYMENT PENALTY, RECONNECTION CHARGE AND CONNECTION CHARGE FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF THOMAS

THE COUNCIL OF THE CITY OF THOMAS HEREBY ORDAINS: The following schedule of water rates, delayed payment penalty, reconnection charge and connection charge are hereby fixed and determined as the water rates, delayed payment penalty, reconnection charge and connection charge to be charged to customers of the waterworks system of the City of Thomas throughout the territory served:

SECTION 1. SCHEDULE OF RATES

AVAILABILITY OF SERVICE

Available for domestic, commercial and industrial service.

RATES

First: 2,000 gallons used per month 3.75 per 1,000 gallons
Next: 3,000 gallons used per month 3.30 per 1,000 gallons
Next: 5,000 gallons used per month 3.05 per 1,000 gallons
Next: 10,000 gallons used per month 2.65 per 1,000 gallons
All over: 20,000 gallons used per month 2.15 per 1,000 gallons

MINIMUM CHARGE

5/8 x 3/4 inch meter or smaller 7.50 for 2,000 gallons or less
3/4 inch meter or smaller 11.30 for 3,152 gallons or less
1 inch meter or smaller 18.75 for 5,443 gallons or less
1 1/4 inch meter or smaller 27.35 for 8,262 gallons or less
1 1/2 inch meter or smaller 37.50 for 11,830 gallons or less

- 2 inch meter or smaller 60.00 for 20,395 gallons or less
- 3 inch meter or smaller 112.50 for 44,814 gallons or less
- 4 inch meter or smaller 187.50 for 79,697 gallons or less
- 5 inch meter or smaller 375.00 for 166,907 gallons or less

DELAYED PAYMENT PENALTY

The above tariff is net. Any account not paid in full within 20 days of date of bill, 10% will be added to the amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT

The utility may disconnect service to any customer for non-payment of bill but must first make a diligent effort to induce the customer to pay the same and no discontinuance shall be effected until after at least 24 hours written notice to the customer.

RECONNECTION FEES

Service shall not be restored until all amounts in arrears including penalties plus reconnection fee of \$15.00 have been paid.

CONNECTION CHARGE

Prior to award of construction contract, the connection fee for new service shall be \$50.00. After completion of construction adjacent to user's property, the connection charge shall be \$150.00.

SECTION 2. EFFECTIVE DATE

The water rates, delayed payment penalty, reconnection charge and connection charge provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of the water rates, delayed penalty, reconnection charge and connection charge as herein set forth, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction and adoption at first reading hereof, the Recorder/Clerk shall publish a copy of this Ordinance and a notice at least 5 days before the meeting at which this Ordinance is to be finally adopted, one time in The Parsons Advocate, being the only newspaper published and of general circulation in Tucker County, West Virginia, and being of general circulation in the City of Thomas, and said notice shall state the subject matter and general title of this Ordinance, that this Ordinance has been introduced and adopted at first reading, and that any person interested may appear before Council of the City of Thomas in the Council Chambers at the City Building in Thomas, West Virginia, on the 10th day of November, 1987, at 6:30 p.m., which is the date, time and place of the proposed final vote on adoption and be heard with respect to the proposed ordinance. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of the proposed ordinance shall be available to the public for inspection at the office of the Mayor in the City Hall, Thomas, West Virginia.

The above Ordinance has been introduced at a meeting of Council held October 14th, 1987.

Passed on First Reading: October 14th, 1987

Passed on Second Reading

Following Public Hearing: November 10th, 1987

Effective : 45 days from November 10th
1987

s/s Walt J. Ranelli
Mayor

s/s Mary F. Buckley
Recorder/Clerk

CERTIFICATION

The foregoing Rate Ordinance has been introduced and adopted on first reading at a meeting of Council held October 14th, 1987. Any person interested may appear before Council of the City of Thomas in the Council Chambers at the City Building in Thomas, West Virginia, on the 10th day of November, 1987, at 6:30 p.m., being the date, time and place of the proposed final adoption of the Rate Ordinance, and be heard with respect to the proposed ordinance. Council will then take such action as it shall deem proper in the premises.

The proposed ordinance may be inspected by the public at the Office of the Mayor in the City Hall, Thomas, West Virginia.

The proposed Rate Ordinance re-enacts the existing water rates, delayed payment penalty, reconnection charge and connection charge in connection with a proposed \$77,000 loan from Farmers Home Administration to finance improvements to the existing waterworks system of the City and will not impose or result in any increase in such water rates, delayed payment penalty, reconnection charge and connection charge.

Dated October 15th, 1987.

s/s

Mary F. Buckley
Recorder/Clerk



CITY OF THOMAS

Water Revenue Bond, Series 1988

BOND ORDINANCE

Table of Contents

<u>Subject</u>	<u>Page</u>
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01 Authority for this Ordinance	1
Section 1.02 Findings and Determinations	1
Section 1.03 Ordinance to Constitute Contract	3
Section 1.04 Definitions	3
Section 1.05 Compliance with Requirements of 1973 Ordinance and 1982 Ordinance	8
ARTICLE II - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND	
Section 2.01 Authorization of Bond	10
Section 2.02 Description of Bond	10
Section 2.03 Negotiability, Registration, Transfer and Exchange of Bonds	10
Section 2.04 Registrar	11
Section 2.05 Execution of Bond	11
Section 2.06 Bonds Mutilated, Destroyed, Stolen or Lost	11
Section 2.07 Bond Secured by Pledge of Net Revenues	11
Section 2.08 Form of Bond	12
FORM OF BOND	13
RECORD OF ADVANCES	17
ARTICLE III - BOND PROCEEDS; REVENUES AND APPLICATION THEREOF	
Section 3.01 Bond Proceeds; Project Construction Account	19
Section 3.02 Covenants of the Issuer as to Revenues and Funds	20
ARTICLE IV - GENERAL COVENANTS, ETC.	
Section 4.01 General Statement	24
Section 4.02 Rates	24

<u>Subject</u>	<u>Page</u>
Section 4.03 Sale of the System	24
Section 4.04 Issuance of Additional Parity Bonds or Obligations	24
Section 4.05 Insurance and Bonds	24
Section 4.06 Statutory Mortgage	26
Section 4.07 Events of Default	26
Section 4.08 Enforcement	26
Section 4.09 Fiscal Year; Budget	27
Section 4.10 Covenant to Proceed and Complete	27
Section 4.11 Books and Records; Audits	27
Section 4.12 Maintenance of System	28
Section 4.13 No Competition	28
Section 4.14 Arbitrage and Rebate	28
Section 4.15 Tax Covenants	29
 ARTICLE V - RATES, ETC.	
Section 5.01 Initial Schedule of Rates and Charges; Rules	31
 ARTICLE VI - MISCELLANEOUS	
Section 6.01 Modification or Amendment	33
Section 6.02 Delivery of Bond No. R-1	33
Section 6.03 Severability of Invalid Provisions	33
Section 6.04 1973 and 1982 Ordinances; Conflicting Provisions Repealed	33
Section 6.05 Table of Contents and Headings	33
Section 6.06 Effective Time	33
Section 6.07 Statutory Notice and Public Hearing	34
 SIGNATURES	 34

04/06/88
THMSW2-B

CITY OF THOMAS

ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF THOMAS, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$77,000 IN PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1988, ON A PARITY WITH THE OUTSTANDING 1973 AND 1982 BONDS OF THE CITY; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF THOMAS:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Article 19, Chapter 8 of the West Virginia Code (the "Act") and other applicable provisions of law. The City of Thomas is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia.

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

A. The City of Thomas (the "Issuer"), in the County of Tucker, State of West Virginia, is now served by a public waterworks system, but such system is not adequate. The inhabitants of the Issuer and surrounding area served by the system urgently require that the system be improved as herein provided.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed additions, extensions and improvements to the existing waterworks system of the Issuer consisting of one 50,000 gallon and one 100,000 gallon steel

reservoir, a booster station, 21,630 L.F. of 8-inch PVC Class 160 pipe, 4,570 L.F. of 8-inch PVC Class 200 pipe, 126 L.F. of 8-inch ductile iron pipe, 4,240 L.F. of 8-inch C-900 pipe, 2,770 L.F. of 6-inch PVC Class 160 pipe, 260 L.F. of 2-inch PVC Class 160 pipe, a new chlorination system at the Issuer's treatment plant and new raw water intake motors and pumps, with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the 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 revenue bond in the principal amount of \$77,000 to finance a portion of the cost of the Project in the manner hereinafter provided.

D. The estimated maximum cost of the acquisition and construction of the Project is \$750,000 of which \$77,000 will be obtained from the proceeds of sale of the Bond herein authorized, \$150,000 will be obtained from The Board of Education of the County of Tucker and \$523,000 will be obtained from an Appalachian Regional Commission Grant.

E. The cost of such acquisition and construction shall be deemed to include, without being limited to, the construction or acquisition of the Project; the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond prior to, during and for 6 months after estimated completion of such construction to the extent that revenues of the System (hereinafter defined) are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and 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 50 years.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Bond as to liens, pledges and source of and security for payment, being the Water Revenue Bonds, Series 1973, of the Issuer dated June 27, 1974 (the "1973 Bonds"), issued in the original principal amount of \$79,000, of which \$66,468.18 principal amount of such 1973 Bonds remains outstanding and the Water Revenue Bond, Series 1982, of the Issuer, dated August 10, 1982 (the "1982 Bonds"), issued in the original principal amount of \$109,000, of which \$103,744.63 principal amount of such

1982 Bonds remains outstanding. The 1973 Bonds and the 1982 Bonds are held by the Purchaser. The Issuer is not in default under the terms of the 1973 Ordinance or 1982 Ordinance (both herein defined) authorizing the issuance of the 1973 Bonds and 1982 Bonds, respectively, and has complied with all requirements thereof or obtained a sufficient and valid waiver thereof. There are no other obligations outstanding which are secured by any revenues and/or assets of the System.

H. The Government is expected by the Issuer to purchase the entire principal amount of the Bond.

I. The Issuer has complied with all requirements of law relating to authorization of the acquisition and construction of the Project, the operation of the System and the issuance of the Bond, or will have so complied prior to issuance of the Bond, including, among other things, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The rates, charges and rules provided in Article V hereof are in full force and effect and have not been changed by said Public Service Commission.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and System, and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year in which the Bond is to be issued.

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

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

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

"Bond" means the \$77,000 Water Revenue Bond, Series 1988, authorized hereby to be issued pursuant to this Ordinance.

"Bonds" means, collectively, the Bond, the 1973 Bonds and the 1982 Bonds.

"1973 Bonds" means the Water Revenue Bonds, Series 1973, of the Issuer, dated June 27, 1974, issued in the original principal amount of \$79,000.

"1982 Bonds" means the Water Revenue Bond, Series 1982, of the Issuer, dated August 10, 1982, issued in the original principal amount of \$109,000.

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

"Closing Date" means the date upon which there is an exchange of the Bond for the proceeds representing the purchase of the Bond by the Purchaser, as the first purchaser of the Bond from the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consulting Engineer" means Swecker Engineering & Surveying, Elkins, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bond during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

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

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

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

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

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Bond, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bond;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bond;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are deemed to become proceeds of the Bond ratably as original proceeds of the Bond, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, discharge the outstanding principal of such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Bond, which are held in any fund to the extent that the Issuer reasonably expects to use such fund to pay Debt Service on the Bond;

(v) Amounts in the Reserve Fund and in any other fund established as a reasonably required reserve or replacement fund, with respect to the Bond;

(vi) Investment Property pledged as security for payment of Debt Service on the Bond by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Bond; and

(viii) Amounts received as a result of investing amounts described in this definition.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes.

"Issuer" means the City of Thomas, in Tucker County, West Virginia, and includes the Governing Body.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds," when used with reference to the Bond, means the face amount of the Bond, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Fund. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Bond, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bond and is not acquired in order to carry out the governmental purpose of the Bond.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bond and into the Reserve Fund have been made to the last monthly payment date prior to the date of such retention.

"Ordinances" means, collectively, the 1973 Ordinance, the 1982 Ordinance and the Bond Legislation.

"1973 Ordinance" means the ordinance of the Issuer enacted March 24, 1973, pursuant to which the 1973 Bonds were issued.

"1982 Ordinance" means the ordinance of the Issuer enacted March 15, 1982, pursuant to which the 1982 Bonds were issued.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

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

"Purchase Price," for the purpose of computation of the Yield of the Bond, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Bond to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bond of each maturity is sold or, if the

Bond is privately placed, the price paid by the first buyer of the Bond or the acquisition cost of the first buyer.

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

"Recorder" means the Recorder of the Issuer.

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

"Regulations" means temporary and permanent regulations promulgated under the Code.

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

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance.

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

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest on the Bond, produces an amount equal to the Purchase Price of the Bond, all computed as prescribed in applicable Regulations.

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

Section 1.05. Compliance with Requirements of 1973 Ordinance and 1982 Ordinance. The issuance of the Bond on a parity with the 1973 Bonds and the 1982 Bonds is permitted under the terms of the 1973 Ordinance and the 1982 Ordinance authorizing issuance of the 1973 Bonds and the 1982 Bonds, respectively, and the Issuer has complied with or obtained a sufficient and valid waiver of the

requirements of the 1973 Ordinance and the 1982 Ordinance insofar as relate to the issuance of the Bond.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Bond Legislation, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1988," is hereby authorized to be issued in the aggregate principal amount of not exceeding \$77,000 for the purpose of financing a portion of the cost of the acquisition and construction of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in single form, No. R-1, only as a fully registered Bond, and shall be dated the date of delivery. The Bond shall bear interest from date, payable monthly at a rate of interest equal to 7.875% per annum or such lesser rate as may be set forth in a Supplemental Resolution and/or the Bond upon delivery and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in a Supplemental Resolution and/or the Bond upon delivery.

Section 2.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Bond, and the right to the principal of and stated interest on the Bond, 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. No interest in the Bond shall be transferable except by means of transfer of registration of a Bond representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Legislation.

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

other expenses incurred by the Registrar with respect to such transfer.

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

Section 2.04. Registrar. The Registrar will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Bond, and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bond initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bond as hereinbefore provided.

The Registrar shall accept the Bond for registration or transfer only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law.

Section 2.05. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Mayor and its corporate seal shall be affixed thereto and attested by the Recorder.

Section 2.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Bond shall be secured forthwith by a lien on the Net Revenues derived from the System in

addition to the statutory mortgage lien on the System hereinafter provided for, on a parity with the liens and pledges, and in all other respects, with the 1973 Bonds and the 1982 Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds are hereby irrevocably pledged to the payment of installments of the principal and interest on the Bonds as the same become due as herein provided.

Section 2.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any ordinance or resolution adopted after the date of adoption hereof and prior to the issuance thereof, including without limitation a Supplemental Resolution:

(Form of Bond)

WATER REVENUE BOND, SERIES 1988

CITY OF THOMAS

\$77,000

No. R-1

Date: _____

FOR VALUE RECEIVED, the CITY OF THOMAS (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Seventy-Seven Thousand Dollars (\$77,000), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments

last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond

does not in any manner constitute an indebtedness of the Borrower 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 Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance, herein defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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

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

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

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

This Bond is on a parity in all respects with the 1973 Bonds and the 1982 Bonds defined and described in the said Ordinance.

CITY OF THOMAS
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

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

Thomas, West Virginia 26292
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

(Form of)
RECORD OF ADVANCES

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

(Form of)

ASSIGNMENT

Identifying Number of Assignee _____

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

ARTICLE III

BOND PROCEEDS; REVENUES
AND APPLICATION THEREOF

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

Amounts in the Project Construction Account shall be disbursed for costs and expenses of the Project upon filing in the official records pertaining to such account of a certificate of the Issuer describing such disbursement, setting forth the portion, if any, of the Net Proceeds of the Bond to be used for a Private Business Use or to make or finance a loan (other than a loan constituting a Nonpurpose Investment) to other than a state or local governmental unit and certifying that there has been compliance with the provisions of Section 4.15 hereof relating to the Private Business Use limitation and the private loan limitation. Amounts, if any, remaining in the Project Construction Account shall, upon receipt from the Issuer of a certificate certifying that no further amounts are required to be disbursed for costs and expenses of the Project, be invested at a Yield not in excess of the Yield of the Bond and shall be transferred and used for redemption of the Bond on the interest payment date next succeeding and the Project Construction Account shall be closed.

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

Subject to Section 4.14 hereof, if the Issuer shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the Issuer may invest such

excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America ("Government Obligations"), which shall mature not later than 18 months after the date of such investment.

Section 3.02. Covenants of the Issuer as to Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund established by the 1973 Ordinance and continued by the 1982 Ordinance and hereby, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holders of the Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which fund, known as the "Revenue Fund" was established by the 1973 Ordinance and continued by the 1982 Ordinance and is continued hereby. The Revenue Fund is now on deposit with the Miners & Merchants Bank, Thomas, West Virginia. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided in the Ordinances. The holder of the Bond shall have a lien on and a pledge, hereby granted, of all the gross revenues of the System and a statutory mortgage lien granted by the Act, so long as the Bond remains unpaid, on a parity in all respects with the holders of the 1973 Bonds and the holders of the 1982 Bonds.

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

(1) The Issuer shall first, each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, on or before the due date, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond and the 1982 Bonds and the West Virginia Municipal Bond Commission, respectively, or otherwise the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the respective life of each Bond issue.

(3) The Issuer shall next, by the 15th day of each month, transfer from the Revenue Fund and deposit with the West Virginia Municipal Bond Commission in the Reserve Fund established by the 1973 Ordinance and continued by the 1982 Ordinance and hereby with said Commission, $1/12$ th of $1/10$ th of the amount of principal and interest becoming due on the Bonds in any year until the amount in the Reserve Fund equals, as of the date of calculation, the maximum amount of principal and interest which will become due on the respective Bonds in any year, such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bonds to said National Finance Office and the West Virginia Municipal Bond Commission, respectively, as the same shall become due or for prepayment of installments on the Bonds, or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose; provided, however, that when the Minimum Reserve has been accumulated and is maintained in the Reserve Fund, all earnings on moneys in the Reserve Fund shall be at least annually in January transferred to and deposited in the Revenue Fund and used for the immediate ratable prepayment of the Bonds.

(4) The Issuer shall next, by the 15th day of each month, transfer from the Revenue Fund and deposit in the Depreciation Reserve established by the 1973 Ordinance continued in the 1982 Ordinance and hereby with the West Virginia Municipal Bond Commission the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Reserve the aggregate sum of \$61,500 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bonds as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of

equipment and improvements for the System, or any part thereof.

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

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

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but neither the aforesaid Bank nor the West Virginia Municipal Bond Commission shall be a trustee as to such funds. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

Subject to Section 4.14 hereof, the West Virginia Municipal Bond Commission as Fiscal Agent shall keep the moneys in the Reserve Fund and the Depreciation Reserve invested and reinvested to the fullest extent practicable and in accordance with applicable law in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding 2 years and all amounts required therefor will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of the cost or the then current market value, or at the redemption price thereof if redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of

discount. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund.

C. USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that the System will serve 372 bona fide full time users when it is ready to be placed in operation, in full compliance with the requirements and conditions of the Purchaser.

ARTICLE IV

GENERAL COVENANTS, ETC.

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

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

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

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

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

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

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

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

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

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

E. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$10,000 upon the Recorder, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

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

Section 4.06. Statutory Mortgage. For the further protection of the holders of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall be for the equal benefit of the holders of the Bonds.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment due on the Bond at the date specified for payment thereof;

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

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

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

Section 4.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

Section 4.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of enactment hereof, subject to permitted changes.

Section 4.11. Books and Records; Audits. The Issuer will keep books, accounts and records of the System, in accordance with the Act, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, including without limitation the amount of Revenues received from the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

Section 4.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and repair and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 4.13. No Competition. The Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 4.14. Arbitrage and Rebate. A. The Issuer shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Bond which would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and Regulations promulgated thereunder.

B. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bond is not a private activity bond as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Bond are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year in which the Bond is issued will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations promulgated thereunder. For purposes of this Section 4.14B and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 4.14B and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

C. Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, the Issuer covenants to make all rebate calculations and payments in

the time, manner and as required in Section 148(f) of the Code and covenants to otherwise comply with the provisions thereof. In the event of a failure to pay any such amount, the Issuer will pay to the United States a penalty in an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived.

Section 4.15. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bond during the term thereof is, under the terms of the Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bond during the term thereof is, under the terms of the Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or, if the Bond is for the purpose of financing more than one project, a portion of the Project and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Use is related. All the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Bond or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bond to be "federally

guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the exclusion from gross income of interest on the Bond for federal income tax purposes, including without limitation, the information return required under Section 149(e) of the Code.

E. ADDITIONAL ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Bond will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions the result of which would adversely affect such exclusion.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the rate ordinance of the City of Thomas finally enacted on July 22, 1986, and finally re-enacted on November 10, 1987.

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

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

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

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

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

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

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

ARTICLE VI

MISCELLANEOUS

Section 6.01. 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, except that no consent from the Purchaser shall be required to make such additions, deletions or modifications as may be necessary to assure the exemption from federal income taxation of interest on the Bond.

Section 6.02. Delivery of Bond No. R-1. The Mayor is hereby authorized and directed to cause Bond No. R-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 6.03. 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 severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 6.04. 1973 and 1982 Ordinances; Conflicting Provisions Repealed. The 1973 Ordinance and the 1982 Ordinance and all parts thereof not expressly changed hereby or heretofore changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the 1973 Ordinance and 1982 Ordinance.

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

Section 6.05. 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 6.06. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 6.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Governing Body to contain sufficient information as to give notice of the contents hereof, shall be published once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Inter-Mountain, a newspaper published and of general circulation in the County of Tucker, no qualified newspaper being published in the City of Thomas, together with a notice stating that this Bond Legislation has been adopted, that the Issuer contemplates the issuance of the Bond, that any person interested may appear before the Governing Body upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Bond Legislation is on file with the Governing Body for review by interested persons 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 shall deem proper in the premises.

Passed on First Reading	March 15, 1988
Passed on Second Reading	March 22, 1988
Passed on Final Reading	
Following Public Hearing	
and Effective	April 6, 1988

Walt J. Rinaldi
Mayor

Mary F. Buckley
Recorder

04/06/88
THMSW2-A



CITY OF THOMAS

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE INTEREST RATE AND PAYMENT SCHEDULE OF THE WATER REVENUE BOND, SERIES 1988, OF THE CITY OF THOMAS; AND MAKING OTHER PROVISIONS AS TO THE BOND

WHEREAS, the city council (the "Governing Body") of the CITY OF THOMAS (the "Issuer"), has duly and officially enacted an ordinance effective April 6, 1988 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE CITY OF THOMAS, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$77,000 IN PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1988, ON A PARITY WITH THE OUTSTANDING 1973 AND 1982 BONDS OF THE CITY; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

WHEREAS, the Bond Ordinance provides for the issuance of the Water Revenue Bond, Series 1988, of the Issuer (the "Bond"), in an aggregate principal amount of not to exceed \$77,000, all in accordance with West Virginia Code, Chapter 8, Article 19 (the "Act"); and in the Bond Ordinance, it is provided that the interest rate on the Bond would be 7.875% per annum or such lesser rate as set forth in a supplemental resolution and/or the Bond upon delivery and the interest and principal payment amounts would be as set forth in a supplemental resolution and/or the Bond upon delivery;

WHEREAS, the Bond is proposed to be purchased by the United States Department of Agriculture, Farmers Home Administration (the "Purchaser"), and the Purchaser has provided that the interest rate on the Bond will be 6 1/8% per annum and the amortized monthly payments of principal and interest on the Bond will be \$436;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the interest rate and the interest and principal payment amounts of the Bond be fixed in the manner stated herein, and that other matters relating to the Bond be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted. The Bond shall bear interest at the rate of 6 1/8% per annum, and amortized monthly payments of principal and interest on the Bond shall be in the amount of \$436.

Section 2. The provisions relating to the Bond shall otherwise be, and the Bond shall otherwise be in the form, as provided in the Bond Ordinance.

Section 3. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents, instruments, agreements and certificates required or desirable in connection with the Bond hereby and by the Bond Ordinance approved and provided for, to the end that the Bond may be delivered on or about April 7, 1988, to the Purchaser.

Section 4. The financing of the Project in part by the Bond is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 5. This Supplemental Resolution shall be effective immediately.

Adopted this 6th day of April, 1988.

CITY OF THOMAS

Walt J. Samuels
Mayor

Mary F. Buckley
Recorder

04/05/88
THMSWI-P



(SPECIMEN BOND)

WATER REVENUE BOND, SERIES 1988

CITY OF THOMAS

\$77,000

No. R-1

Date: April 7, 1988

FOR VALUE RECEIVED, the CITY OF THOMAS (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Seventy-Seven Thousand Dollars (\$77,000), plus interest on the unpaid principal balance at the rate of 6 1/8% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$436, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments

last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond

does not in any manner constitute an indebtedness of the Borrower 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 Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance herein defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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

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

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

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

This Bond is on a parity in all respects with the 1973 Bonds and the 1982 Bonds defined and described in the said Ordinance.

CITY OF THOMAS

[CORPORATE SEAL]

Mayor

City Hall
Thomas, West Virginia 26292

ATTEST:

Recorder

RECORD OF ADVANCES

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

ASSIGNMENT

Identifying Number of Assignee _____

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

04/06/88
THMSW2-C