

**THE CITY OF WILLIAMSTOWN**

**SEWER REVENUE BONDS, SERIES 2005 A  
(WEST VIRGINIA SRF PROGRAM)**

**DATE OF CLOSING: JUNE 2, 2005**

**BOND TRANSCRIPT**

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**THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, SERIES 2005 A  
(WEST VIRGINIA SRF PROGRAM)**

**BOND ORDINANCE**

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THE CITY OF WILLIAMSTOWN

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Williamstown (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of the construction of an ultra-violet disinfection system, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), which the Authority administers pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$400,000 (the "Series 2005 A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest, if any, on the Series 2005 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2005 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2005 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2005 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2005 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority, and the DEP (the "Loan Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2005 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Revenue Bond, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551 (the "Series 1987 A Bonds"), Sewerage System Revenue Bond, Series 1987 B, dated June 25, 1987, issued in the original aggregate principal amount of \$169,539 (the "Series 1987 B Bonds"), and the Sewerage System Revenue Bond, Series 1987 A-1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637 (the "Series 1987 A-1 Bonds" and collectively the "Prior Bonds").

The Series 2005 A Bonds shall be issued on a parity with the Series 1987 A Bonds and the Series 1987 A-1 Bonds and senior and prior to the Series 1987 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2005 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 1987 A Bonds and the Series 1987 A-1 Bonds are met; (ii) the written consent of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds to the issuance of the Series 2005 A Bonds on a parity with the Series 1987 A Bonds and the Series 1987 A-1 Bonds; and (iii) the written consent of the Holders of the Series 1987 B Bonds to the issuance of the Series 2005 A Bonds on a senior and prior basis to the Series 1987 B Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Ordinances.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2005 A Bonds and the Prior Bonds and to make all payments into all funds, accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2005 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without

limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2005 A Bonds or such final order will not be subject to appeal.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2005 A Bonds for the purposes set forth herein.

K. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Notes are private activity bonds; that 95% or more of the Net Proceeds of the Notes 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) issued by the Issuer during the calendar year in which the Notes are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Notes. For purposes of the first paragraph of this Section and for purposes of applying Section 148(f)(4)(D) 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 governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of this Section and Section 148(f)(4)(D) of the Code to each 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)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

L. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2005 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2005 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series

and any other Bonds of the same series, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2005 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

"Board" means the Sanitary Board of the Issuer.

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

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

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

"Bonds" means, collectively, the Series 2005 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

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

"Closing Date" means the date upon which there is an exchange of the Series 2005 A Bonds for all or a portion of the proceeds of the Series 2005 A Bonds from the Authority and the DEP.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Burgess & Niple, Inc., Parkersburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

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

"First Lien Bonds" means, collectively, the Series 1987 A Bonds and the 1987 A-1 Bonds.

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

"Governing Body" means the Council of the Issuer, as it may now or hereafter be constituted.

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

"Grant" means any and all grants received by the Issuer for the payment of a portion of the costs of acquiring and constructing the Project.

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

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

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

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of

which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means The City of Williamstown, a municipal corporation and political subdivision of the State of West Virginia, in Wood County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2005 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2005 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2005 A Bonds Reserve Account. 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 Series 2005 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

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

"Outstanding," when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds and Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bonds cancelled by the Bond Registrar or the registrar for Prior Bonds at or prior to said date; (ii) any Bond or Prior Bonds for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid in accordance with the resolution authorizing the issuance thereof; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 2005 A Bonds in the Supplemental Resolution, with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Issuer's (i) Sewerage System Revenue Bond, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551, (ii) Sewerage System Revenue Bond, Series 1987 B, dated June 25, 1987, issued in the original aggregate principal amount of \$169,539, and (iii) Sewerage System Revenue Bond, Series 1987 A-1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637.

"Prior Ordinances" means, collectively, the ordinances of the Issuer, including all amendments and supplements thereto, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

"Project" means the Project as described in Section 1.02B hereof.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest

coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank

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

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

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

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 2005 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2005 A Bonds.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

"Series 1987 A Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1987 A, described in Section 1.02G hereof.

"Series 1987 B Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1987 B, described in Section 1.02G hereof.

"Series 1987 A-1 Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1987 A-1, described in Section 1.02G hereof.

"Series 2005 A Bonds" means Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2005 A Bonds Construction Trust Fund" means the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2005 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2005 A Bonds in the then current or any succeeding year.

"Series 2005 A Bonds Sinking Fund" means the Series 2005 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sewerage System Depreciation Fund" means the Sewerage System Depreciation Fund created by the Prior Ordinances and continued hereby.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 2005 A Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2005 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2005 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligation of the Issuer, including, without limitation, the Sewerage System Depreciation Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any and all additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION  
OF THE PROJECT

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

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$400,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2005 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed \$400,000, all of which will be obtained from proceeds of the Series 2005 A Bonds.

### ARTICLE III

#### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2005 A Bonds, funding the Series 2005 A Bonds Reserve Account, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2005 A Bonds of the Issuer. The Series 2005 A Bonds shall be issued as a single bond, designated "Sewer Revenue Bond, Series 2005 A (West Virginia SRF Program)", in the principal amount of not more than \$400,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2005 A Bonds remaining after funding of the Series 2005 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2005 A Bonds, if any, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2005 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2005 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2005 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2005 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2005 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2005 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as of the date specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2005 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2005 A Bonds shall cease to be such officer of the Issuer before the Series 2005 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2005 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2005 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2005 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2005 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2005 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2005 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2005 A Bonds.

The registered Series 2005 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2005 A Bonds or transferring the registered Series 2005 A Bonds are exercised, all Series 2005 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2005 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2005 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2005 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2005 A Bonds or, in the case of any proposed redemption of Series 2005 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2005 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2005 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds, and senior and prior to the lien on the Net Revenues in favor of the Holders of the Series 1987 B Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2005 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2005 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2005 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2005 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2005 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2005 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BOND, SERIES 2005 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-\_\_\_\_\_

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

KNOW ALL MEN BY THESE PRESENTS: That on this the \_\_\_ day of \_\_\_\_\_, 2005, THE CITY OF WILLIAMSTOWN, a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1,200 \_\_\_\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and SRF Administrative fee (as defined in the hereinafter describe Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_, 20 \_\_\_\_, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan

Agreement") by and among the Issuer, the Authority and the DEP, dated \_\_\_\_\_, 2005.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on \_\_\_\_\_, 2005, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A, DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,551 (THE "SERIES 1987 A BONDS") AND THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A-1, DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$659,637 (THE "SERIES 1987 A-1 BONDS"), AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 B (THE "SERIES 1987 B BONDS"), DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$169,539 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds, and senior and prior to the pledge of Net Revenues in favor of the Holders of the Series 1987 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory

provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other

obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF WILLIAMSTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

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

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: \_\_\_\_\_, 2005.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By: \_\_\_\_\_  
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

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

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto  
\_\_\_\_\_  
the within Bond and does hereby irrevocably constitute and appoint  
\_\_\_\_\_, Attorney to transfer the said Bond  
on the books kept for registration of the within Bond of the said Issuer with full power of  
substitution in the premises.

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2005 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Within 60 days following the Completion Date of the Project, the Issuer will file with the Authority and the DEP a schedule, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

## ARTICLE V

### FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Sewerage System Depreciation Fund (established by the Prior Ordinances); and
- (3) Series 2005 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2005 A Bonds Sinking Fund; and
- (2) Series 2005 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner order of priority:

- (1) The Issuer shall first, each month, pay from the Revenue Fund all current Operating Expenses of the System.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Sinking Funds for the Series 1987 A Bonds and the Series 1987 A-1 Bonds the amounts required by the Prior Ordinances to pay interest on such Bonds;

and (ii) commencing 3 months prior to the first date of payment of interest on the Series 2005 A Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2005 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2005 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission, (i) for deposit in the respective Sinking Funds for the Series 1987 A Bonds and the Series 1987 A-1 Bonds, the amounts required by the Prior Ordinances to pay the principal of the such Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2005 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the Series 1987 A Bonds and the Series 1987 A-1 Bonds, the amounts required by the Prior Ordinances; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, if not fully funded upon issuance of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2005 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2005 A Bonds

Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2005 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Sewerage System Depreciation Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Sewerage System Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Sewerage System Depreciation Fund for replacements, repairs, improvements or extensions to the System; provided, (i) that any restrictions on the use of monies in the Prior Ordinances are met; and (ii) that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Sewerage System Depreciation Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1987 B Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Reserve Account, the amount required by the Prior Ordinances.

Monies in the Series 2005 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2005 A Bonds as the same shall become due. Monies in the Series 2005 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2005 A Bonds as the same shall come due, when other monies in the Series 2005 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2005 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2005 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2005 A Bonds Reserve Account which result in a reduction in the balance of the Series 2005 A Bonds Reserve Account to below the Series 2005 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2005 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2005 A Bonds Sinking Fund or into the Series 2005 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2005 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1987 A Bonds, the Series 1987 A-1 Bonds, and the Series 2005 A Bonds, and thereafter, with respect to the Series 1987 B Bonds, all in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2005 A Bonds Sinking Fund, including the Series 2005 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2005 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required interest, if any, principal and reserve account payments with respect to the Series 2005 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission, the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority anytime make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

F. The monies in excess of the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the relevant provisions of the Prior Ordinances, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

I. The Gross Revenues of the System shall only be used for purposes of the System.

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2005 A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

## ARTICLE VI

### BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2005 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2005 A Bonds, there shall first be deposited with the Commission in the Series 2005 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2005 A Bonds, there shall be deposited with the Commission in the Series 2005 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2005 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2005 A Bonds, such monies shall be deposited with the Depository Bank in the 2005 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof, and until expended, are hereby pledged as additional security for the Series 2005 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2005 A Bonds shall be expended as directed by the DEP.

Section 6.02. Disbursements From the Series 2005 A Bonds Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2005 A Bonds will be expended and the disbursement procedures of such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2005 A Bonds Construction Trust Fund shall be made only after submission to, and approved from, the Authority and the DEP of the following:

- (1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule; and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2005 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

## ARTICLE VII

### ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2005 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2005 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2005 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2005 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds and senior and prior to the lien on the Net Revenues in favor of the Holders of the Series 1987 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2005 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted December 21, 2004, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2005 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2005 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2005 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2005 A Bonds, immediately be remitted to the Commission for deposit in the Series 2005 A Bonds Sinking Fund, and, with the written permission of the Authority or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2005 A Bonds. Any balance remaining after the payment of the Bonds and the interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Sewerage System Depreciation Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable

in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds of any such sale shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds for prepayment of the Bonds. The payment of such proceeds into the Sewerage System Depreciation Fund and the Sinking Funds shall not reduce the amounts required to be paid into such funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2005 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2005 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2005 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2005 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2005 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2005 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2005 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements to the System or refunding any outstanding Bonds, or both such purposes.

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2005 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2005 A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP or their agents and representatives, to inspect all records pertaining to the operation and maintenance the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Governing Body. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2005 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2005 A Bonds, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a

summary thereof, to any Holder or Holders of the Series 2005 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2005 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the Loan Agreement or as promulgated from time to time.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2005 A Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any

year for payment of principal of and interest, if any, on the Series 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2005 A Bonds, including the Prior Bonds; provided that, in the event the amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2005 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2005 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2005 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04 hereof.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the DEP and the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance within 30 days of adoption to the Authority and the DEP and to any Holder of the Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the DEP, the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the DEP and the Authority by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority and the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals

or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14.      No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15.      Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2005 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Sewerage System Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Sewerage System Depreciation Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the City Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and has obtained all approvals for the issuance of the Series 2005 A Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the DEP with copies of all documents submitted to the Authority.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. 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 Series 2005 A Bonds are 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 Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2005 A Bonds 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 Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying

arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for 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 Series 2005 A Bonds 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 Series 2005 A Bonds are 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 that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2005 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2005 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2005 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2005 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2005 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2005 A Bonds held in "contingency" as set forth in the Schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2005 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

## ARTICLE VIII

### INVESTMENT OF FUNDS

Section 8.01.        Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2005 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2005 A Bonds from gross income for federal income tax purposes.

Section 8.02.        Non-Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2005 A Bonds which would cause the Series 2005 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2005 A Bonds) so that the interest on the

Series 2005 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2005 A Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2005 A Bonds 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 bonds (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2005 A Bonds are issued are not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(D) 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 governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) 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)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2005 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2005 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. The Issuer shall obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary to maintain the exclusion of interest on the Series 2005 A Bonds from gross income for federal income tax purposes. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2005 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2005 A Bonds (as such term "gross proceeds" is defined in the Code).

## ARTICLE IX

### DEFAULT AND REMEDIES

Section 9.01.      Events of Default.    Each of the following events shall constitute an "Event of Default" with respect to the Series 2005 A Bonds:

(1)    If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2005 A Bonds;  
or

(2)    If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2005 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2005 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

(3)    If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4)    If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02.      Remedies.    Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2005 A Bonds shall be on a parity with the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds and senior and prior to the Holders of the Series 1987 B Bonds.

Section 9.03 Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

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

## ARTICLE X

### PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2005 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2005 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2005 A Bonds from gross income for federal income tax purposes.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2005 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2005 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2005 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2005 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2005 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2005 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2005 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2005 A Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. Except for the Prior Ordinances, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided

that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

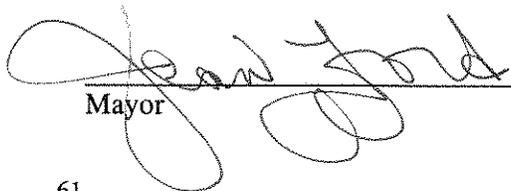
Section 11.07. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Parkersburg News*, a newspaper of general circulation in The City of Williamstown, there being no newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2005 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: - April 19, 2005

Passed on Second Reading: - May 17, 2005

Passed on Final Reading  
Following Public  
Hearing: - May 31, 2005

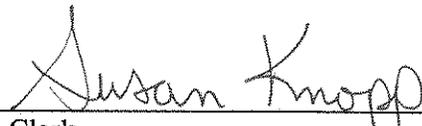
  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Williamstown on the 31st day of May, 2005.

Dated: June 2, 2005.

[SEAL]

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

05/19/05  
976720.00002

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF WILLIAMSTOWN; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Williamstown (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective May 31, 2005 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE

REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program) (the "Series 2005 A Bonds"), of the Issuer, in an aggregate principal amount not to exceed \$400,000;

WHEREAS, the Bond Ordinance has authorized the execution and delivery of the loan agreement relating to the Series 2005 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$230,282. The Series 2005 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2026, and shall bear interest at the rate of 2% per annum. The principal of and interest on the Series 2005 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, and maturing March 1, 2026, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2005 A Bonds. The Series 2005 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2005 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2005 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate Williamstown National Bank, Williamstown, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2005 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2005 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2005 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2005 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2005 A Bonds shall be deposited in or credited to the Series 2005 A Bond Construction Trust Fund as received from the DEP from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about June 2, 2005, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

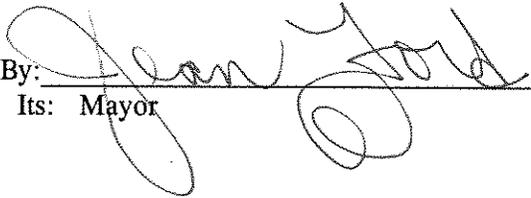
Section 13. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and

therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer hereby approves and accepts all contracts and agreements relating to the financing, acquisition and construction of the Project and hereby authorizes the Sanitary Board to enter into all contracts and agreements relating to the acquisition and construction of the Project.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 31st day of May, 2005.

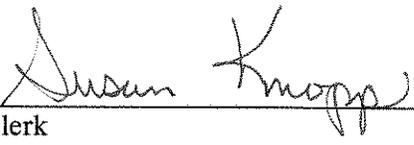
By:   
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Williamstown on the 31st day of May, 2005.

Dated: June 2, 2005.

[SEAL]

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

05/19/05  
976720.00002

SRF-LP-1  
(11/01/04)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

CITY OF WILLIAMSTOWN  
(Local Government)

WITNESSETH:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

WHEREAS, the Local Government intends to construct, is constructing or has constructed such a wastewater treatment project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

## ARTICLE I

### Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.4 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

1.6 "Local Statute" means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.7 "Operating Expenses" means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.8 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.9 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.10 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.11 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.12 Additional terms and phrases are defined in this Loan Agreement as they are used.

## ARTICLE II

### The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Government, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities

as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the

Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial

Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to DEP and the Authority.

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

### ARTICLE III

#### Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(g) The Local Government shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction

and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by DEP.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List,

as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

#### ARTICLE IV

Local Bonds; Security for Loan;  
Repayment of Loan; Interest on Loan;  
Fees and Charges

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided, that if the Local Government has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting

Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or

independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for all Local Bonds;

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F

and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

## ARTICLE V

Certain Covenants of the Local Government;  
Imposition and Collection of User Charges;  
Payments To Be Made by  
Local Government to the Authority

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

## ARTICLE VI

### Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and

the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

## ARTICLE VII

### Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

CITY OF WILLIAMSTOWN

(SEAL)

Attest:

Susan Knopp  
Its: Clerk

By: [Signature]  
Its: Mayor  
Date: 5-17-05

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: Lisa A. McClung  
Its: Director  
Date: 5/23/05

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Barbara B. Meadows  
Its: Secretary-Treasurer

By: Daniel B. Yorkash  
Its: Director  
Date: May 16, 2005

000832/00372  
11/01/04

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government \_\_\_\_\_  
 Name of Bond Issue(s) \_\_\_\_\_  
 Type of Project \_\_\_\_\_ Water \_\_\_\_\_ Wastewater \_\_\_\_\_  
 Fiscal Year \_\_\_\_\_ Report Month \_\_\_\_\_

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
<u>Type of Issue</u>				
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development	_____	_____	_____	_____
Administration	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

\_\_\_\_\_  
 Name of Person Completing Form

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 Telephone

## INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1      You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ( $\$1,200/12$ ). This is the incremental amount for the Budget Year-to-Date column.
- Item 2      Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ( $\$900/12$ ). This is the incremental amount for the Budget Year-to-Date column.
- Item 3      Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4      Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

**The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10<sup>th</sup> day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.**

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

\_\_\_\_\_  
(Issuer)

\_\_\_\_\_  
(Name of Bonds)

I, \_\_\_\_\_, Registered Professional Engineer, West Virginia License No. \_\_\_\_\_, of \_\_\_\_\_, Consulting Engineers, \_\_\_\_\_, \_\_\_\_\_, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of \_\_\_\_\_ to the \_\_\_\_\_ system (the "Project") of \_\_\_\_\_ (the "Issuer"), to be constructed primarily in \_\_\_\_\_ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond \_\_\_\_\_ adopted or enacted by the Issuer on \_\_\_\_\_, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated \_\_\_\_\_.

2. The Bonds are being issued for the purposes of (i) \_\_\_\_\_, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least \_\_\_\_\_ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing

set forth in Schedule A attached hereto as Exhibit A, and my firm<sup>1</sup> has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof<sup>2</sup>, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_

By \_\_\_\_\_

West Virginia License No. \_\_\_\_\_

[SEAL]

\_\_\_\_\_

<sup>1</sup>If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of \_\_\_\_\_, Esq.] and delete "my firm has ascertained that".

<sup>2</sup>If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of \_\_\_\_\_ of even date herewith," at the beginning of (ix).

## EXHIBIT E

### SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT - The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - Effective October 1, 2003, the Local Government that receives \$500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

EXHIBIT F

MONTHLY PAYMENT FORM

West Virginia Water Development Authority  
180 Association Drive  
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Local Government] on [Date].

Sinking Fund:

Interest \$\_\_\_\_\_

Principal \$\_\_\_\_\_

Total: \$\_\_\_\_\_

Reserve Account: \$\_\_\_\_\_

Witness my signature this \_\_\_\_ day of \_\_\_\_\_.

[Name of Local Government]

By: \_\_\_\_\_  
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority  
180 Association Drive  
Charleston, WV 25311

West Virginia Department of Environmental Protection  
601 57<sup>th</sup> Street  
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to \_\_\_\_\_ (the "Local Government"), a  
\_\_\_\_\_.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated \_\_\_\_\_, \_\_\_\_\_, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated \_\_\_\_\_, \_\_\_\_\_ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$ \_\_\_\_\_, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning \_\_\_\_\_ 1, \_\_\_\_\_, and ending \_\_\_\_\_ 1, \_\_\_\_\_, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) \_\_\_\_\_, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of \_\_\_\_\_ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond \_\_\_\_\_ duly adopted or enacted by the Local Government on \_\_\_\_\_, as supplemented by the

supplemental resolution duly adopted by the Local Government on \_\_\_\_\_ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

3. The Local Government is a duly organized and validly existing \_\_\_\_\_, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

6. The Local Bonds are, by statute, exempt \_\_\_\_\_, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

## SCHEDULE X

### DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 230,282

Purchase Price of Local Bonds \$ 230,282

The Local Bonds shall bear no interest from the date of delivery to and including February 28, 2006. Commencing June 1, 2006, interest on the Local Bonds is payable quarterly, at a rate of 2% per annum. Commencing June 1, 2006, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government:

Sewerage System Revenue Bonds, Series 1987A, dated June 25, 1987, issued in the principal amount of \$15,551 and Sewerage System Revenue Bonds, Series 1987 A-1, dated June 25, 1987, issued in the principal amount of \$659,637. The new bond will be senior and prior to: Sewerage System Revenue Bonds, Series 1987 B, dated June 25, 1987, issued in the principal of \$169,539.

\$230,282

SCHEDULE Y

City of Williamstown

20 Years, 2% Interest Rate, 1% Administrative Fee

Closing Date: June 2, 2005

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I
09/01/2005	-	-	-	-
12/01/2005	-	-	-	-
03/01/2006	-	-	-	-
06/01/2006	2,348.00	2.000%	1,151.41	3,499.41
09/01/2006	2,360.00	2.000%	1,139.67	3,499.67
12/01/2006	2,372.00	2.000%	1,127.87	3,499.87
03/01/2007	2,384.00	2.000%	1,116.01	3,500.01
06/01/2007	2,396.00	2.000%	1,104.09	3,500.09
09/01/2007	2,407.00	2.000%	1,092.11	3,499.11
12/01/2007	2,420.00	2.000%	1,080.08	3,500.08
03/01/2008	2,432.00	2.000%	1,067.98	3,499.98
06/01/2008	2,444.00	2.000%	1,055.82	3,499.82
09/01/2008	2,456.00	2.000%	1,043.60	3,499.60
12/01/2008	2,468.00	2.000%	1,031.32	3,499.32
03/01/2009	2,481.00	2.000%	1,018.98	3,499.98
06/01/2009	2,493.00	2.000%	1,006.57	3,499.57
09/01/2009	2,505.00	2.000%	994.11	3,499.11
12/01/2009	2,518.00	2.000%	981.58	3,499.58
03/01/2010	2,531.00	2.000%	968.99	3,499.99
06/01/2010	2,543.00	2.000%	956.34	3,499.34
09/01/2010	2,556.00	2.000%	943.62	3,499.62
12/01/2010	2,569.00	2.000%	930.84	3,499.84
03/01/2011	2,582.00	2.000%	918.00	3,500.00
06/01/2011	2,595.00	2.000%	905.09	3,500.09
09/01/2011	2,607.00	2.000%	892.11	3,499.11
12/01/2011	2,621.00	2.000%	879.08	3,500.08
03/01/2012	2,634.00	2.000%	865.97	3,499.97
06/01/2012	2,647.00	2.000%	852.80	3,499.80
09/01/2012	2,660.00	2.000%	839.57	3,499.57
12/01/2012	2,673.00	2.000%	826.27	3,499.27
03/01/2013	2,687.00	2.000%	812.90	3,499.90
06/01/2013	2,700.00	2.000%	799.47	3,499.47
09/01/2013	2,714.00	2.000%	785.97	3,499.97
12/01/2013	2,727.00	2.000%	772.40	3,499.40
03/01/2014	2,741.00	2.000%	758.76	3,499.76
06/01/2014	2,755.00	2.000%	745.06	3,500.06
09/01/2014	2,768.00	2.000%	731.28	3,499.28
12/01/2014	2,782.00	2.000%	717.44	3,499.44
03/01/2015	2,796.00	2.000%	703.53	3,499.53
06/01/2015	2,810.00	2.000%	689.55	3,499.55
09/01/2015	2,824.00	2.000%	675.50	3,499.50
12/01/2015	2,838.00	2.000%	661.38	3,499.38
03/01/2016	2,852.00	2.000%	647.19	3,499.19
06/01/2016	2,867.00	2.000%	632.93	3,499.93

**\$230,282**

City of Williamstown

20 Years, 2% Interest Rate, 1% Administrative Fee

Closing Date: June 2, 2005

**Debt Service Schedule**

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I
09/01/2016	2,881.00	2.000%	618.60	3,499.60
12/01/2016	2,895.00	2.000%	604.19	3,499.19
03/01/2017	2,910.00	2.000%	589.72	3,499.72
06/01/2017	2,924.00	2.000%	575.17	3,499.17
09/01/2017	2,939.00	2.000%	560.55	3,499.55
12/01/2017	2,954.00	2.000%	545.85	3,499.85
03/01/2018	2,969.00	2.000%	531.08	3,500.08
06/01/2018	2,983.00	2.000%	516.24	3,499.24
09/01/2018	2,998.00	2.000%	501.32	3,499.32
12/01/2018	3,013.00	2.000%	486.33	3,499.33
03/01/2019	3,028.00	2.000%	471.27	3,499.27
06/01/2019	3,043.00	2.000%	456.13	3,499.13
09/01/2019	3,059.00	2.000%	440.91	3,499.91
12/01/2019	3,074.00	2.000%	425.62	3,499.62
03/01/2020	3,089.00	2.000%	410.25	3,499.25
06/01/2020	3,105.00	2.000%	394.80	3,499.80
09/01/2020	3,120.00	2.000%	379.28	3,499.28
12/01/2020	3,136.00	2.000%	363.68	3,499.68
03/01/2021	3,152.00	2.000%	348.00	3,500.00
06/01/2021	3,167.00	2.000%	332.24	3,499.24
09/01/2021	3,183.00	2.000%	316.40	3,499.40
12/01/2021	3,199.00	2.000%	300.49	3,499.49
03/01/2022	3,215.00	2.000%	284.49	3,499.49
06/01/2022	3,231.00	2.000%	268.42	3,499.42
09/01/2022	3,247.00	2.000%	252.26	3,499.26
12/01/2022	3,264.00	2.000%	236.03	3,500.03
03/01/2023	3,280.00	2.000%	219.71	3,499.71
06/01/2023	3,296.00	2.000%	203.31	3,499.31
09/01/2023	3,313.00	2.000%	186.83	3,499.83
12/01/2023	3,329.00	2.000%	170.26	3,499.26
03/01/2024	3,346.00	2.000%	153.62	3,499.62
06/01/2024	3,363.00	2.000%	136.89	3,499.89
09/01/2024	3,380.00	2.000%	120.07	3,500.07
12/01/2024	3,396.00	2.000%	103.17	3,499.17
03/01/2025	3,413.00	2.000%	86.19	3,499.19
06/01/2025	3,430.00	2.000%	69.13	3,499.13
09/01/2025	3,448.00	2.000%	51.98	3,499.98
12/01/2025	3,465.00	2.000%	34.74	3,499.74
03/01/2026	3,482.00	2.000%	17.41	3,499.41
<b>Total</b>	<b>\$230,282.00</b>	<b>-</b>	<b>\$49,685.87</b>	<b>\$279,967.87 *</b>

\*Plus \$310.54 one-percent administrative fee paid quarterly. Total fee paid over life of loan is \$24,843.20.

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

041417alj050505.wpd

Entered: May 5, 2005

CASE NO. 04-1417-S-CN

CITY OF WILLIAMSTOWN

Application for a certificate of convenience and necessity to construct an ultra-violet disinfection system at the City of Williamstown's wastewater treatment plant.

**FINAL**  
5-25-05

RECOMMENDED DECISION

On August 26, 2004, the City of Williamstown (City or Applicant), a municipal utility, filed an application, duly verified, for a certificate of convenience and necessity to construct certain additions and improvements to its sewer system in Wood County. The improvements are to include an ultra-violet disinfection system at the City's wastewater treatment plant. The City estimates that construction will cost approximately \$268,000, and will be financed by a West Virginia State Revolving Fund (SRF) loan in the amount of \$175,000, and a contribution in aid from the City in the amount of \$93,000. The City proposed an increase in rates and charges for the project and advised that it does not have any resale customers.

By Order entered August 26, 2004, the City of Williamstown was directed to provide notice of the filing of the application, by publishing a copy of the August 26, 2004 Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Wood County, making due return to the Commission of proper certification of publication immediately after publication. The Notice of Filing provided notice to individuals that they could protest the application or intervene in the matter by filing a written protest or notice of intervention within thirty (30) days following the date of the publication of the Notice, unless otherwise modified by Commission Order. All protests and motions to intervene were to briefly state the reasons for the protest or intervention. The Notice provided that, if no protests were received within the thirty-day protest period, the Commission may waive formal hearing and grant the application based upon its review of the evidence submitted with the application and by Commission Staff.

On September 2, 2004, the City provided Staff with additional information regarding the project.

On September 15, 2004, Staff filed its Initial Joint Staff Memorandum indicating that additional information was needed before Staff could

issue its substantive recommendation in this matter. Staff reminded the City that the affidavit of publication, indicating that the August 26, 2004 Notice of Filing was published, has not been filed. Staff advised that it intended to file a data request in order to obtain the additional information. Staff recommended that the matter be referred to the Division of Administrative Law Judges for final disposition. The City intends to borrow \$175,000 from the SRF for a period not to exceed twenty (20) years, at an interest rate not to exceed 3%. However, at this time, the file does not contain a letter of commitment for the borrowing. Staff noted that, while the City is proposing an approximate 7% increase in rates and charges, a rate ordinance was approved by the City on August 17, 2004, and filed with the Public Service Commission on August 20, 2004.

On September 15, 2004, Staff filed its First Data Request on the City of Williamstown and requested that any objections be filed to the requests within fourteen (14) days of receipt, in accordance with Rule 13.6.b. of the Commission's Rules of Practice and Procedure (Procedural Rules), and that the City provide its answers within twenty (20) days of service of the request.

On September 29, 2004, the City filed with the Commission a copy of an affidavit of publication indicating that the Notice of Filing was published in the Parkersburg News, on September 2, 2004.

By Order entered September 29, 2004, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before March 24, 2005.

On October 4, 2004, the City filed additional information pursuant to Staff's request, including an executed engineering agreement and a letter dated June 30, 2003, from the West Virginia Department of Environmental Protection (DEP), regarding the engineering agreement.

On November 22, 2004, Staff filed its Final Joint Staff Memorandum. Staff advised that Technical Staff had discovered that the City's rates were not sufficient to provide the City with an adequate cash flow surplus or provide for the lending agency's required debt service coverage ratio. The project will cause the City to operate at a cash deficit, with a debt service coverage of 114.32%, an amount which does not meet the minimum debt service coverage of the 115.00% required by the City's lenders. Staff indicated that it intends to recommend denial of the certificate, unless the financial issue is timely resolved. Staff recommended that the City adopt another rate ordinance and request a tolling of the certificate case while it adopted the new rate ordinance.

On November 29, 2004, the City requested that its certificate of convenience and necessity be tolled for ninety (90) days, to allow it sufficient time to adopt a new rate ordinance in order to have sufficient cash flow and debt service coverage, pursuant to Staff's recommendation.

By Order entered November 30, 2004, the Commission granted the City's request that the statutory deadline for the certificate of convenience and necessity be tolled for ninety (90) days. The Administrative Law Judge's decision due date was extended until June 22, 2005.

The City of Williamstown's statutory deadline was extended until August 22, 2005.

On December 13, 2004, the City provided additional information indicating that its West Virginia NPDES Permit was modified by the DEP to extend the date to meet the final effluent limitations for Total Residual Chlorine from December 10, 2004, until January 31, 2006. The permit authorized the City to acquire, construct, install, operate and maintain an ultra-violet disinfection system.

On January 20, 2005, the City filed written confirmation of its SRF loan for the City's wastewater improvement project regarding the installation of an ultra-violet disinfection system in the amount of \$268,000, at an annual interest rate of 2%, and an administrative fee of 1%, for a period not to exceed twenty (20) years.

On March 21, 2005, the City advised that it opened bids for the system and that the lowest bid was \$55,282 over the projected cost for the construction of the project. The City advised that it intends to borrow the additional \$55,282 from the SRF at 3% interest, for a period not to exceed twenty (20) years, as conditioned in the original loan.

On March 31, 2005, Staff filed a Further Joint Staff Memorandum recommending that the project be approved. The total cost of the project, as originally filed, was \$268,000. The project has experienced a bid overrun of at least \$55,282. Staff recommended that the City review its engineering agreement and monitor the costs for the remainder of the project. The new estimated project costs are \$323,282. The new cost per customer is \$243.44, which Technical Staff believes is reasonable for a sewer project. Technical Staff also advised that SRF has increased its amount of funding to \$230,282. Technical Staff advised that the City passed a rate increase of 7% on August 17, 2004, and has also passed an additional 8% rate increase. Staff believes the City's ~~new~~ ~~rate~~ ~~ordinance~~ will generate a cash flow surplus of \$1,800 and a debt service coverage of 117.28%. Staff does not believe an additional rate increase is needed to accommodate the additional funding for the project.

On April 26, 2005, DEP filed a letter of correction regarding this project.

Upon consideration of all of the above, the Administrative Law Judge is of the opinion that the application should be approved, along with the amended proposed financing. The City has already enacted additional rates which Staff believes will support this project. Since notice of the increased rates was provided to the City's customers during the adoption of the rate ordinances, additional notice will not be required. Since the SRF has provided funding for the additional construction cost, the project will be amended accordingly.

#### FINDINGS OF FACT

1. On August 26, 2004, the City of Williamstown, a municipal utility, filed an application, duly verified, for a certificate of

convenience and necessity to construct certain additions and improvements to its existing sewer system, including an ultra-violet disinfection system at the City's wastewater treatment plant. (See, Application).

2. Notice of the filing of the application was published on September 2, 2004, in the Parkersburg News, a newspaper of general circulation in Wood County. (See, Affidavit of Publication filed September 29, 2004).

3. The City advised that it had no resale customers. (See, Application).

4. The protest period expired without protests having been filed to the application. (See, Affidavit of publication filed September 29, 2004; case file generally).

5. The City did not provide individual notice to its customers of the rate increase associated with the certificate filing, as required by the Commission's rules. However, two rate ordinances have been passed during the pendency of this application, without a municipal appeal having been filed. (See, Final Joint Staff Memorandum filed February 23, 2005; Further Joint Staff Memorandum filed March 31, 2005).

6. The City's existing National Pollutant Discharge Elimination System Permit (NPDES), issued December 10, 2004, establishes limits for the level of Total Residual Chlorine in the effluent as of January 31, 2006, when the City must meet specific chlorine levels with regard to the effluent being discharged into the Ohio River. The City's present treatment process will not be able to meet the new requirements and still meet the fecal coliform limit. The City's existing disinfection process does not have a means of dechlorinating the effluent prior to being discharged in the Ohio River. The City's chlorination system does not meet several of the requirements of the National Fire Code and the deficiencies could put the residences which are in the closest proximity to the plant at risk in the event of a chlorine gas leak. (See, Final Joint Staff Memorandum with attachments filed February 23, 2005).

7. The DEP has provided the City of Williamstown with correspondence stating that the drawings and specifications have been approved for the ultra-violet disinfection system project and has issued Modification No. 2 to the City of Williamstown's WV/NPDES water pollution control Permit No. WV0022071. (See, Final Joint Staff Memorandum with attachments filed February 23, 2005).

8. Staff recommended that the City's application for a certificate of convenience and necessity be approved, as well as the financing, as amended to include the \$55,282 construction cost as a result of the bid overrun. (See, Further Final Joint Staff Memorandum filed March 31, 2005).

9. The project will cost approximately \$323,282 and will be financed by a West Virginia State Revolving Fund loan in an amount not to exceed \$268,000, at an annual rate of 2%, and an administrative fee of 1%, for a period not to exceed twenty (20) years, with a contribution in aid from the City in the amount of \$93,000. (See, Final Joint Staff

Memorandum filed February 23, 2005; Further Joint Staff Memorandum filed March 31, 2005).

10. The project will not increase the City's current rates, inasmuch as the rates necessary for this project were approved by rate ordinances already passed by the City. (See, Further Joint Staff Memorandum filed March 31, 2005).

#### CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The project is adequately financed and economically feasible.

3. It is reasonable to grant the certificate application to construct an ultra-violet disinfection system at the City of Williamstown's wastewater treatment plant in Wood County, as amended; to approve the financing consisting of an SRF loan in an amount not to exceed \$268,000, at an annual rate of 2%, and an administrative fee of 1%, for a period not to exceed twenty (20) years; to require the City to obtain Commission approval should the scope of the financing of the project change; to amend the financing of the project to include \$55,282, from the West Virginia State Revolving Fund; and to require the submission of a certificate of substantial completion from the City's engineer as soon as it becomes available.

#### ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of Williamstown on August 26, 2004, for a certificate of convenience and necessity to upgrade its existing sewage system which includes an ultra-violet disinfection system at the City of Williamstown's wastewater treatment plant, Wood County, be, and hereby is, granted, as amended.

IT IS FURTHER ORDERED that the proposed financing, consisting of a West Virginia State Revolving Fund loan in an amount not to exceed \$268,000, at an annual rate of 2%, and an administrative fee of 1%, for a period of twenty (20) years, and the City's contribution in aid in the amount of \$93,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the City of Williamstown be, and hereby is, directed to submit a certificate of substantial completion for the project from its engineer as soon as it becomes available.

IT IS FURTHER ORDERED that, if there are any changes in the scope, plans and specifications or financing of the project, the City of Williamstown obtain Commission approval for such changes prior to commencing construction, other than those amended herein.

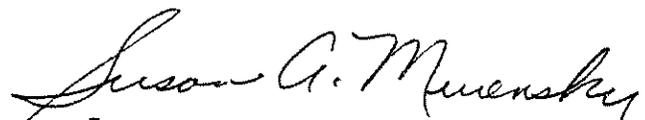
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

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

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

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

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

  
Susan A. Murensky  
Administrative Law Judge

SAM:dfs:mal  
041417a.wpd

# West Virginia Infrastructure & Jobs Development Council

Public Members:

James D. Williams, Chairman  
St. Albans  
William J. Harman, PE, Vice Chairman  
Grafton  
Dwight Calhoun  
Petersburg  
Tim Rurledge  
Gilbert

980 One Valley Square  
Charleston, West Virginia 25301  
Telephone (304) 558-4607  
Facsimile (304) 558-4609

Katy Mallory, PE  
Executive Secretary

KMallory@citynet.net

June 7, 2000

The Honorable Jean Ford  
City Building  
100 West 5<sup>th</sup> Street  
Williamstown, WV26187

Re: City of Williamstown  
Wastewater upgrade project 99S-508

Dear Mayor Ford:

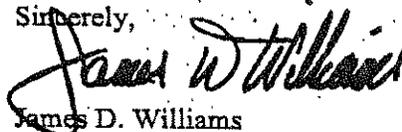
The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Williamstown's (the "City") preliminary application regarding its proposed project to upgrade the wastewater system (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Council recommends that the City pursue a Clean Water State Revolving Fund (CWSRF) loan of \$435,000 to finance the Project. Please contact the Division of Environmental Protection (DEP) at 558-0641 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from DEP.**

If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,



James D. Williams

Enclosure  
JDW/km

cc: Mike Johnson, PE, DEP (w/o enclosure)  
Greg Herrick, PE, Burgess & Niple  
Region V Planning & Development Council



THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this the 2nd day of June, 2005, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The City of Williamstown (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

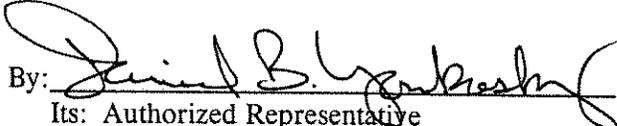
1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), of the Issuer, in the principal amount of \$230,282, numbered AR-1, issued as a single, fully registered Bond, and dated June 2, 2005 (the "Series 2005 A Bonds").

2. At the time of such receipt, the Series 2005 A Bonds had been executed by the Mayor and the City Clerk of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2005 A Bonds, of the sum of \$11,514, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Series 2005 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

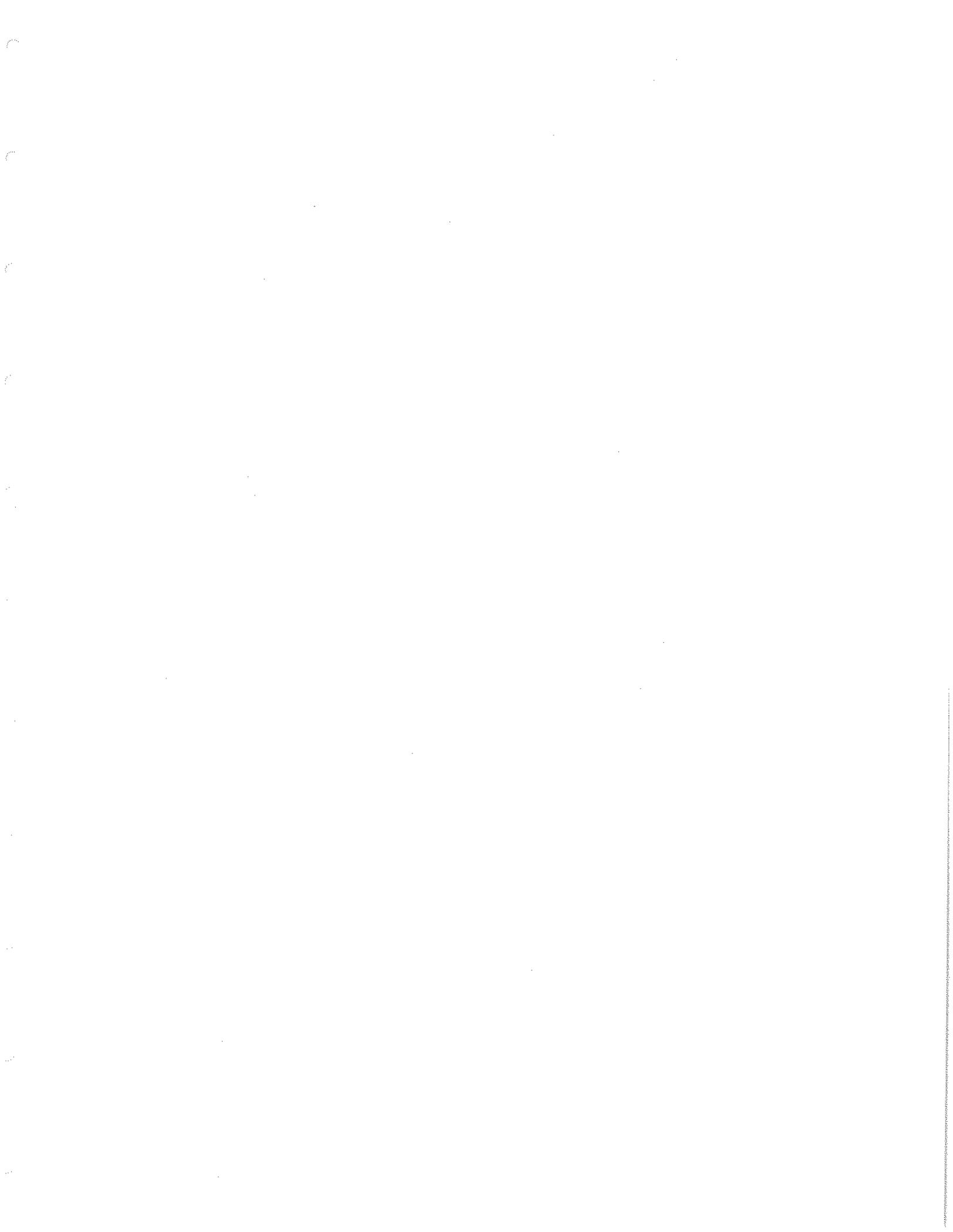
WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By:   
Its: Authorized Representative

THE CITY OF WILLIAMSTOWN

By:   
Its: Mayor

05/19/05  
976720.00002



THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank  
as Bond Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

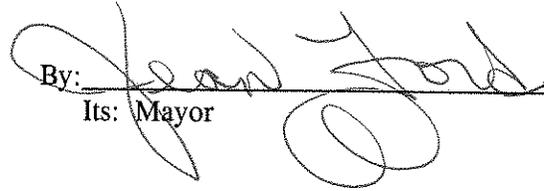
On this 2nd day of June, 2005, there are delivered to you herewith:

- (1) Bond No. AR-1, constituting the entire original issue of The City of Williamstown Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), in the principal amount of \$230,282, dated June 2, 2005 (the "Bonds"), executed by the Mayor and the City Clerk of The City of Williamstown (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on May 31, 2005, and a Supplemental Resolution duly adopted by the Issuer on May 31, 2005 (collectively, the "Bond Legislation");
- (2) A copy of the Bond Legislation authorizing the above-described Bonds, duly certified by the City Clerk of the Issuer;
- (3) Executed counterparts of the Loan Agreement for the Series 2005 A Bonds, dated May 16, 2005, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "Loan Agreement"); and
- (4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

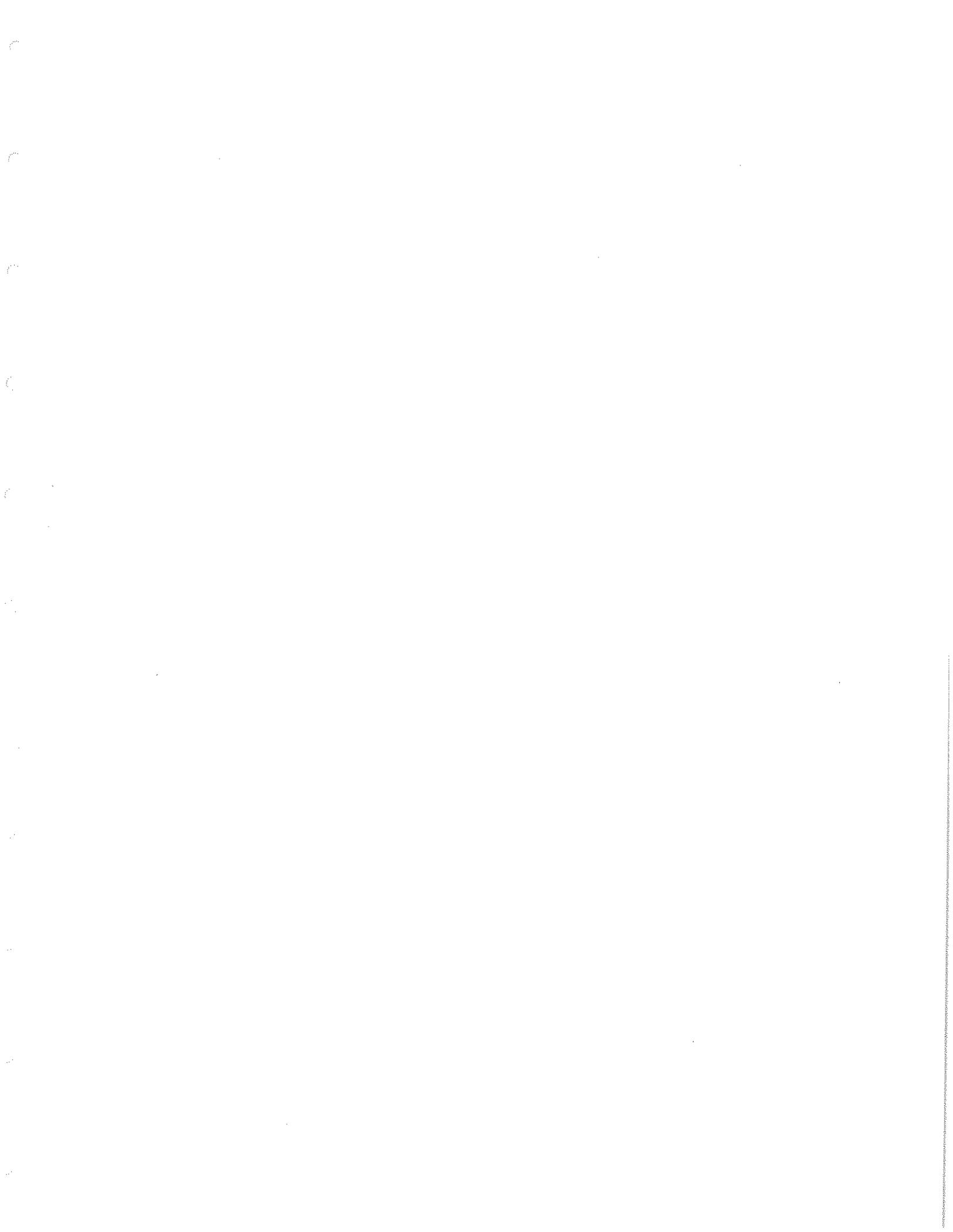
You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$11,514, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE CITY OF WILLIAMSTOWN

By:  \_\_\_\_\_  
Its: Mayor

05/19/05  
976720.00002



**SPECIMEN**

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, SERIES 2005 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$230,282

KNOW ALL MEN BY THESE PRESENTS: That on this the 2nd day of June, 2005, THE CITY OF WILLIAMSTOWN, a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED THIRTY THOUSAND TWO HUNDRED EIGHTY-TWO DOLLARS (\$230,282), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and SRF Administrative Fee (as defined in the hereinafter describe Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions

prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority and the DEP, dated May 16, 2005.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on May 31, 2005, and a Supplemental Resolution duly adopted by the Issuer on May 31, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A, DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,551 (THE "SERIES 1987 A BONDS") AND THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A-1, DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$659,637 (THE "SERIES 1987 A-1 BONDS"), AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 B (THE "SERIES 1987 B BONDS"), DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$169,539 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds, and senior and prior to the pledge of Net Revenues in favor of the Holders of the Series 1987 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory

provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other

obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF WILLIAMSTOWN has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

*[Handwritten signature]*  
\_\_\_\_\_  
Mayor

**SPECIMEN**

ATTEST:

*[Handwritten signature]*  
\_\_\_\_\_  
City Clerk

**SPECIMEN**

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 2, 2005.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By: 

Its: Authorized Office

**SPECIMEN**

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	\$11,514	June 2, 2005	(19)	\$	
(2)	\$		(20)	\$	
(3)	\$		(21)	\$	
(4)	\$		(22)	\$	
(5)	\$		(23)	\$	
(6)	\$		(24)	\$	
(7)	\$		(25)	\$	
(8)	\$		(26)	\$	
(9)	\$		(27)	\$	
(10)	\$		(28)	\$	
(11)	\$		(29)	\$	
(12)	\$		(30)	\$	
(13)	\$		(31)	\$	
(14)	\$		(32)	\$	
(15)	\$		(33)	\$	
(16)	\$		(34)	\$	
(17)	\$		(35)	\$	
(18)	\$		(36)	\$	

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

EXHIBIT B

**\$230,282**

20 Years, 2% Interest Rate, 1% Administrative Fee  
Closing Date: June 2, 2005

**Debt Service Schedule**

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P+I</u>
09/01/2005	-	-	-	-
12/01/2005	-	-	-	-
03/01/2006	-	-	-	-
06/01/2006	2,348.00	2.000%	1,151.41	3,499.41
09/01/2006	2,360.00	2.000%	1,139.67	3,499.67
12/01/2006	2,372.00	2.000%	1,127.87	3,499.87
03/01/2007	2,384.00	2.000%	1,116.01	3,500.01
06/01/2007	2,396.00	2.000%	1,104.09	3,500.09
09/01/2007	2,407.00	2.000%	1,092.11	3,499.11
12/01/2007	2,420.00	2.000%	1,080.08	3,500.08
03/01/2008	2,432.00	2.000%	1,067.98	3,499.98
06/01/2008	2,444.00	2.000%	1,055.82	3,499.82
09/01/2008	2,456.00	2.000%	1,043.60	3,499.60
12/01/2008	2,468.00	2.000%	1,031.32	3,499.32
03/01/2009	2,481.00	2.000%	1,018.98	3,499.98
06/01/2009	2,493.00	2.000%	1,006.57	3,499.57
09/01/2009	2,505.00	2.000%	994.11	3,499.11
12/01/2009	2,518.00	2.000%	981.58	3,499.58
03/01/2010	2,531.00	2.000%	968.99	3,499.99
06/01/2010	2,543.00	2.000%	956.34	3,499.34
09/01/2010	2,556.00	2.000%	943.62	3,499.62
12/01/2010	2,569.00	2.000%	930.84	3,499.84
03/01/2011	2,582.00	2.000%	918.00	3,500.00
06/01/2011	2,595.00	2.000%	905.09	3,500.09
09/01/2011	2,607.00	2.000%	892.11	3,499.11
12/01/2011	2,621.00	2.000%	879.08	3,500.08
03/01/2012	2,634.00	2.000%	865.97	3,499.97
06/01/2012	2,647.00	2.000%	852.80	3,499.80
09/01/2012	2,660.00	2.000%	839.57	3,499.57
12/01/2012	2,673.00	2.000%	826.27	3,499.27
03/01/2013	2,687.00	2.000%	812.90	3,499.90
06/01/2013	2,700.00	2.000%	799.47	3,499.47
09/01/2013	2,714.00	2.000%	785.97	3,499.97
12/01/2013	2,727.00	2.000%	772.40	3,499.40
03/01/2014	2,741.00	2.000%	758.76	3,499.76
06/01/2014	2,755.00	2.000%	745.06	3,500.06
09/01/2014	2,768.00	2.000%	731.28	3,499.28
12/01/2014	2,782.00	2.000%	717.44	3,499.44
03/01/2015	2,796.00	2.000%	703.53	3,499.53
06/01/2015	2,810.00	2.000%	689.55	3,499.55
09/01/2015	2,824.00	2.000%	675.50	3,499.50
12/01/2015	2,838.00	2.000%	661.38	3,499.38
03/01/2016	2,852.00	2.000%	647.19	3,499.19
06/01/2016	2,867.00	2.000%	632.93	3,499.93

Date	Principal	Coupon	Interest	Total P+I
09/01/2016	2,881.00	2.000%	618.60	3,499.60
12/01/2016	2,895.00	2.000%	604.19	3,499.19
03/01/2017	2,910.00	2.000%	589.72	3,499.72
06/01/2017	2,924.00	2.000%	575.17	3,499.17
09/01/2017	2,939.00	2.000%	560.55	3,499.55
12/01/2017	2,954.00	2.000%	545.85	3,499.85
03/01/2018	2,969.00	2.000%	531.08	3,500.08
06/01/2018	2,983.00	2.000%	516.24	3,499.24
09/01/2018	2,998.00	2.000%	501.32	3,499.32
12/01/2018	3,013.00	2.000%	486.33	3,499.33
03/01/2019	3,028.00	2.000%	471.27	3,499.27
06/01/2019	3,043.00	2.000%	456.13	3,499.13
09/01/2019	3,059.00	2.000%	440.91	3,499.91
12/01/2019	3,074.00	2.000%	425.62	3,499.62
03/01/2020	3,089.00	2.000%	410.25	3,499.25
06/01/2020	3,105.00	2.000%	394.80	3,499.80
09/01/2020	3,120.00	2.000%	379.28	3,499.28
12/01/2020	3,136.00	2.000%	363.68	3,499.68
03/01/2021	3,152.00	2.000%	348.00	3,500.00
06/01/2021	3,167.00	2.000%	332.24	3,499.24
09/01/2021	3,183.00	2.000%	316.40	3,499.40
12/01/2021	3,199.00	2.000%	300.49	3,499.49
03/01/2022	3,215.00	2.000%	284.49	3,499.49
06/01/2022	3,231.00	2.000%	268.42	3,499.42
09/01/2022	3,247.00	2.000%	252.26	3,499.26
12/01/2022	3,264.00	2.000%	236.03	3,500.03
03/01/2023	3,280.00	2.000%	219.71	3,499.71
06/01/2023	3,296.00	2.000%	203.31	3,499.31
09/01/2023	3,313.00	2.000%	186.83	3,499.83
12/01/2023	3,329.00	2.000%	170.26	3,499.26
03/01/2024	3,346.00	2.000%	153.62	3,499.62
06/01/2024	3,363.00	2.000%	136.89	3,499.89
09/01/2024	3,380.00	2.000%	120.07	3,500.07
12/01/2024	3,396.00	2.000%	103.17	3,499.17
03/01/2025	3,413.00	2.000%	86.19	3,499.19
06/01/2025	3,430.00	2.000%	69.13	3,499.13
09/01/2025	3,448.00	2.000%	51.98	3,499.98
12/01/2025	3,465.00	2.000%	34.74	3,499.74
03/01/2026	3,482.00	2.000%	17.41	3,499.41
<b>Total</b>	<b>\$230,282.00</b>	<b>-</b>	<b>\$49,685.87</b>	<b>\$279,967.87</b>

\*Plus \$310.54 one-percent administrative fee paid quarterly. Total fee paid over life of loan is \$24,843.20.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto \_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: \_\_\_\_\_, \_\_\_\_\_.

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

\_\_\_\_\_

05/16/05  
976720.00002



June 2, 2005

The City of Williamstown  
Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

The City of Williamstown  
Williamstown, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Williamstown (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$230,282 Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated May 16, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered to the Authority, bearing interest at the rate of two percent (2%) per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds are subject to the SRF Administrative Fee equal to 1% of the principal amount of the Bonds as set forth in the Schedule Y attached to the Loan Agreement.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on May 31, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 31, 2005 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The

Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.
2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.
3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewerage System Revenue Bond, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551, and Sewerage System Revenue Bond, Series 1987 A-1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637, and senior and prior with respect to liens, pledge and source of and security for payment with the Issuer's Sewerage System Revenue Bond, Series 1987 B, dated June 25, 1987, issued in the original aggregate principal amount of \$169,539, all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, 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 Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond numbered AR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

  
STEPTOE & JOHNSON PLLC



C. Blaine Myers  
William G. Powell

June 2, 2005

The City of Williamstown  
Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

The City of Williamstown  
Williamstown, WV

West Virginia Water Development Authority  
Charleston, WV

West Virginia Department of Environmental Protection  
Charleston, WV

Steptoe & Johnson  
Charleston, WV

Ladies and Gentlemen:

I am counsel for the City of Williamstown in Wood County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a Loan Agreement for the Bonds, dated May 16, 2005, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), a Bond Ordinance duly enacted by the Issuer on May 31, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 31, 2005 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board duly adopted on April 19, 2005, and other documents relating to the above captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, City Clerk and members of the Council of the Issuer and the Sanitary Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

The Sanitary Board has been duly created by the Issuer and is validly existing as a sanitary board under the Act.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on May 5, 2005, which became the Final Order on May 25, 2005, in Case No. 04-1417-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has not expired on the date hereof. However, the parties to such Order have stated that they will not appeal such Order.

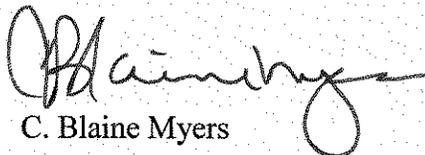
6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Department of Environmental Protection, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

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

8. All successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "C. Blaine Myers", with a long horizontal flourish extending to the right.

C. Blaine Myers

CBM/rds



C. Blaine Myers  
William G. Powell

June 2, 2005

The City of Williamstown  
Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

The City of Williamstown  
Williamstown, WV

West Virginia Water Development Authority  
180 Association Drive  
Charleston, WV 25311

West Virginia Department of Environmental Protection  
1560 Kanawha Boulevard East  
Charleston, WV 25301

Steptoe & Johnson, P.L.L.C.  
Post Office Box 1588  
Charleston, WV 25326

Re: Final Title Opinion for City of Williamstown

Ladies and Gentlemen:

I am counsel for the City of Williamstown (the "Issuer"), in connection with a proposed project to construct an ULTRAVIOLET LIGHT DISINFECTION SYSTEM (the "Project"). I provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. I am of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

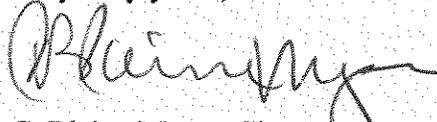
2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. I have investigated and ascertained the location of, and am familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Burgess & Niple, the Consulting Engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Wood County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Wood County, West Virginia, to protect the legal title to and interest of the Issuer.

Very truly yours,



C. Blaine Myers, City Attorney

CBM/rds



THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDER
16. SPECIMEN BOND
17. CONFLICT OF INTEREST
18. PROCUREMENT OF ENGINEERING SERVICES
19. CLEAN WATER ACT
20. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CITY CLERK of The City of Williamstown in Wood County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify, on this the 2nd day of June, 2005, in connection with the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 2005 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond

Ordinance of the Issuer duly enacted May 31, 2005, and the Supplemental Resolution duly adopted May 31, 2005 (collectively, the "Bond Legislation").

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Net Revenues or any grants, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Net Revenues as security for the Bonds.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2005 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Revenue Bond, Series 1987 A (the "Series 1987 A Bonds"), dated June 25, 1987, issued in the original aggregate principal amount of \$15,551, the Sewerage System Revenue Bond, Series 1987 B (the "Series 1987 B Bonds"), dated June 25, 1987, issued in the original aggregate principal amount of \$169,539 and the Sewerage System Revenue Bond, Series 1987 A-1 (the "Series 1987 A-1 Bonds"), dated June 25, 1987, issued in the original aggregate principal amount of \$659,637 (collectively, the "Prior Bonds").

The Series 2005 A Bonds shall be issued on a parity with the Series 1987 A Bonds and the Series 1987 A-1 Bonds and senior and prior to the Series 1987 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 1987 A Bonds and the Series 1987 A-1 Bonds are met; (ii) the written consent of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds to the issuance of the Series 2005 A Bonds on a parity with the Series 1987 A Bonds and the Series 1987 A-1 Bonds, and (iii) the written consent of the Holder of the Series 1987 B Bonds to the issuance of the Series 2005 A Bonds on a senior and prior basis to the Series 1987 B Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the terms and provisions of the Prior Ordinances and no default exists with respect to the Prior Bonds.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Ordinance Creating Sanitary Board and Oaths of Members

Petition of Sanitary Board

Sewer Rate Ordinance

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Sewer Rate Ordinance

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance and the Supplemental Resolution

NPDES Permit

Series 1987 A, Series 1987 B, and Series 1987 A-1 Bond Ordinance and Supplemental Resolution

Consent of West Virginia Water Development Authority

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Williamstown." The Issuer is a municipal corporation in Wood County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and four (4) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>			<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Jean Ford	-	Mayor	July 1, 2004	June 30, 2006
Marty Seufer	-	Councilmember	July 1, 2001	June 30, 2006
Ron Erb	-	Councilmember	July 1, 2001	June 30, 2006
Paul Jordan	-	Councilmember	July 1, 2004	June 30, 2008
David Morris	-	Councilmember	July 1, 2004	June 30, 2008

The names of the duly appointed, qualified and acting members of the Sanitary Board of the Issuer are as follows:

Chairman	-	Jean Ford, Mayor
Member	-	Jeff DePuy
Member	-	Charlie Meyers
Member	-	Robert Palmer
Member	-	Chip Pickering, P.E.

The duly appointed and acting City Clerk of the Issuer is Susan Knopp. The duly appointed and acting Counsel to the Issuer is C. Blaine Myers, in Parkersburg, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and Loan Agreement is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a

material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. RATES: The Issuer has duly enacted a sewer rate ordinance on December 21, 2004, setting rates and charges for the services of the System. The time for appeal of such sewer rate ordinance has expired prior to the date hereof without any appeal, and such rates are currently effective.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by his or her manual signature, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received \$11,514 from the Authority and the DEP, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Parkersburg News*, a qualified newspaper published and of general circulation in The City of Williamstown, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 31st day of May, 2005, at 7:30 p.m., at the City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on May 5, 2005, which became the Final Order on May 25, 2005, in Case No. 04-1417-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has not expired on the date hereof. However, the parties to such Order have stated that they will not appeal such Order. The Issuer hereby certifies that it will not appeal such Order. Such Order remains in full force and effect.

16. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer or the Sanitary Board has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

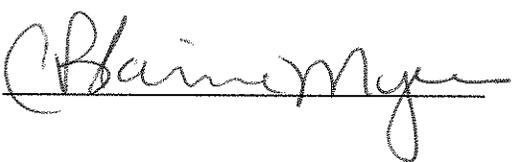
18. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

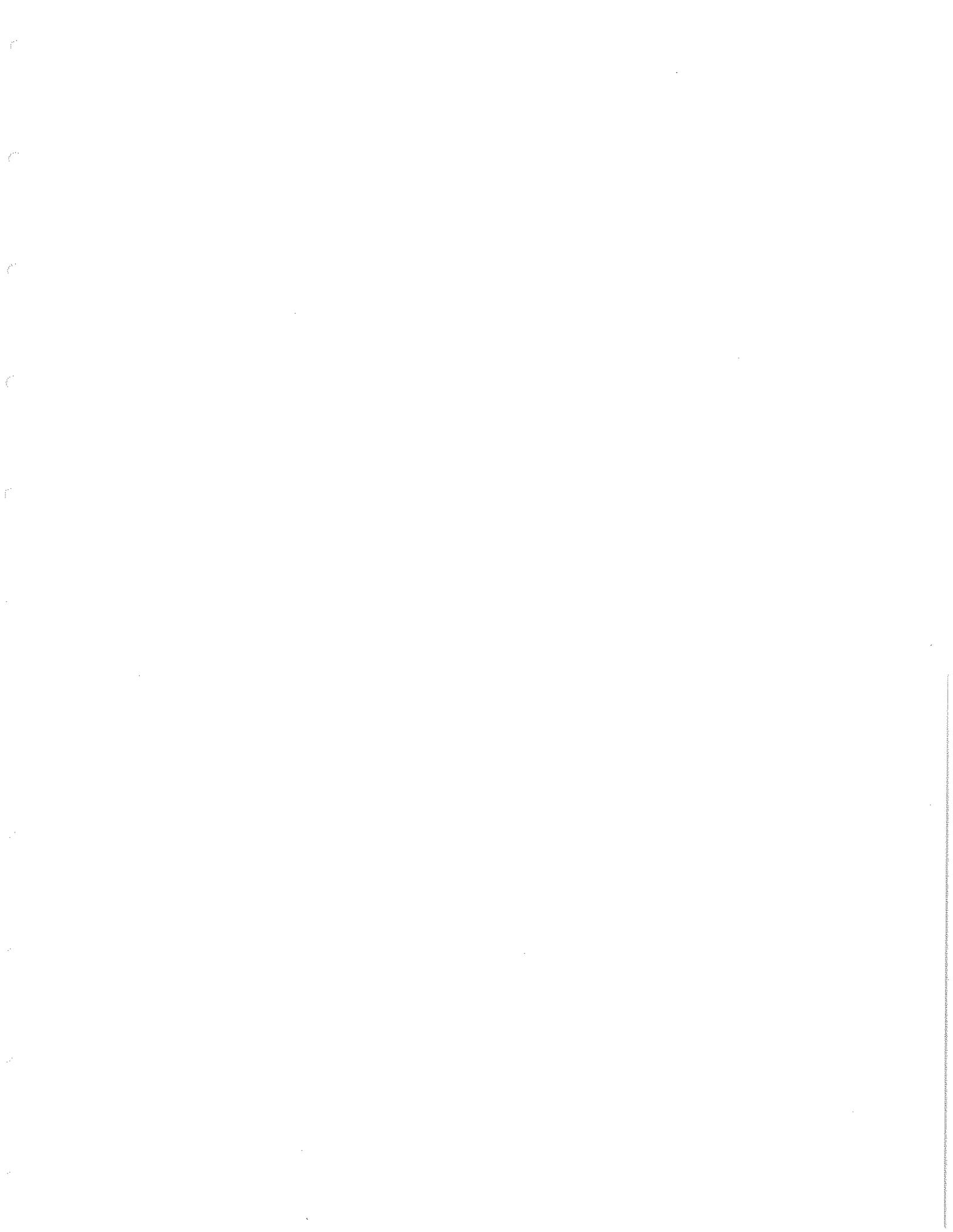
19. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

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

WITNESS our signatures and the official seal of THE CITY OF WILLIAMSTOWN on the day and year first written above.

[CORPORATE SEAL]

<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
	Mayor
	City Clerk
	Counsel to the Issuer



THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Alanna J. Slack, Registered Professional Engineer, West Virginia License No. 14979, of Burgess & Niple, Inc., Parkersburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing public sewerage system (the "System") of The City of Williamstown (the "Issuer") to be constructed primarily in Wood County, West Virginia, which acquisition and construction are being permanently financed in part, by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance enacted by the Issuer on May 31, 2005, as supplemented, and the Loan Agreement, by and among the Issuer, the West Virginia Department of Environmental Protection ("DEP") and the West Virginia Water Development Authority (the "Authority"), dated May 16, 2005 (the "Loan Agreement").

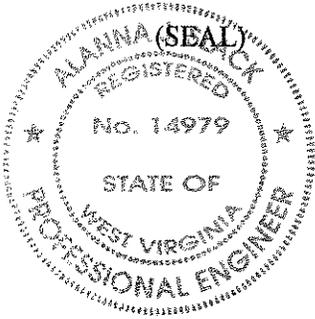
2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying certain costs of issuance of the Bonds and related costs.

3. To the best of our knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 20 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A, attached hereto as Exhibit A and the Issuer's counsel, C. Blaine Myers, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance or binders and such bonds have been verified for accuracy; (iv) the successful bidder received any and all addenda to the original bid documents; (v) the bid documents

relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bid includes prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all applicable permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of Issuer's certified public accountant, Howard M. Cloke, III, CPA, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 2nd day of June, 2005.

BURGESS & NIPLE, INC.



Alanna J. Slack  
Alanna J. Slack, P.E.  
West Virginia License No. 14979

05/19/05  
976720.00002

06

**CITY OF WILLIAMSTOWN**  
(Name of Government Agency)  
**SCHEDULE B**

**RECEIVED**  
**MAY 13 2005**  
**SRF PROGRAM**

Total Cost of Project	Sources of Funds and Costs of Financing			
	Total	SRF	City	Total
<b>A. Cost of Project</b>				
1. Construction (Based on Actual Bids)	233,282	221,282	12,000	233,282
2. Technical Services	55,100		55,100	55,100
3. Legal & Fiscal	1,500		1,500	1,500
4. Administrative/Accounting	5,000		5,000	5,000
5. Sites & Other Lands				-
6. Step I or II or Other Loan Repayment				-
7. Interim Financing Costs/Cap. Interest				-
8. Contingency	11,665		11,665	11,665
9. Total Cost of Project (Lines 1 thru 8)	306,547	221,282	85,265	306,547
<b>B. Sources of Funds</b>				
City	85,265			
10. Federal Grants:				
a. SCBG				
b.				
11. State Grants:				
a. IJDC				
b.				
12. Other Grants:				
13. Any Other Source (1)				
a. WDA				
b. IJDC (loan)				
14. Total Sources of Funds (Lines 10 thru 13)	85,265			
15. Net Proceeds Required form Bond Issue	221,282			
<b>C. Cost of Financing</b>				
16. Funded Reserve Account (2)				
17. Other Costs (3)				
a. Bond Counsel	9,000			
b.				
18. Total Cost of Financing (Lines 16 thru 17)	9,000			
19. Size of SRF Bond Issue (Lines 15 + 18)	230,282			

- (1) Include the proceeds of any parity or subordinate bond issue to be used for such purpose and attach supporting documentation.
- (2) Consult with bond counsel and DEP before assuming a funded reserve.
- (3) For example, bond counsel, fees of depository bank, for Governmental Agency, etc..

*[Signature]*  
Authorized Representative

*[Signature]*  
Consulting Engineer



HOWARD M. CLOKE III  
Certified Public Accountant  
P.O. Box 513  
Barboursville, West Virginia 25504  
TEL & FAX 304-736-8162  
CELL 304-633-4003

June 2, 2005

The City of Williamstown  
Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

The City of Williamstown  
Williamstown, West Virginia

West Virginia Water Development  
Authority  
Charleston, West Virginia

West Virginia Department of  
Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of the City of Williamstown (the "Issuer"), enacted December 21, 2004, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the Issuer (the "System"), will pay all reasonable expenses of operation and maintenance of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program) (the "Bonds"), to be issued in the original aggregate principal amount of \$230,282 to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by or payable from the revenues of the System, on a parity with or junior to the Bonds, including the Issuer's Sewerage System Revenue Bonds, Series 1987 A, Sewerage System Revenue Bonds, Series 1987 B, and Sewerage System Revenue Bonds, Series 1987 A-1 (collectively, the "Prior Bonds").

It is my further opinion that the Net Revenues of the System prior to the issuance of the Bonds, plus reasonably projected revenues from the rate increases and the improvements to be financed by the Bonds, will not be less than 115% of the maximum debt service in any succeeding year on all Prior Bonds and the Bonds.



Howard M. Cloke III  
Certified Public Accountant



THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

CERTIFICATE AS TO ARBITRAGE

On this 2nd day of June, 2005, the undersigned Mayor of The City of Williamstown in Wood County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program) (the "Bonds") of the Issuer, dated the date hereof hereby certifies as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations (the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the ordinance authorizing the Bonds duly enacted by the Issuer on May 31, 2005 (as supplemented, the "Bond Ordinance").

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 2, 2005, the date on which the Bonds are to be physically delivered in exchange for all or a portion of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Bonds were sold on June 2, 2005, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated May 16, 2005, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), for an aggregate purchase price of \$230,282 (100% of par), at which time the Issuer received \$11,514, being more than a de minimus amount of the principal of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Issuer has covenanted in the Bond Ordinance not to take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted not to intentionally use any portion of the proceeds of the Bonds 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 Section 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 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying costs of issuance and related costs thereof.

8. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the Reserve Account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before April, 2006. The acquisition and construction of the Project is expected to be completed by January, 2006.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$315,547. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2005 A Bonds	\$230,282
Issuer's Contribution	<u>\$ 85,265</u>
Total Sources	\$315,547

USES

Costs of Acquisition and Construction of the Project	\$306,547
Costs of Issuance	<u>9,000</u>
Total Uses	<u>\$315,547</u>

The total amount of the costs of the Project is estimated to be at least equal to the gross proceeds of the Bonds and the Issuer's contribution set forth above. Except for the proceeds of the Bonds and the Issuer's contribution, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

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

- (1) Revenue Fund;
- (2) Sewerage System Depreciation Fund;
- (3) Series 2005 A Bonds Construction Trust Fund;
- (4) Series 2005 A Bonds Sinking Fund; and
- (5) Series 2005 A Bonds Reserve Account.

11. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

(1) Proceeds of the Bonds in the amount of \$ -0- will be deposited in the Series 2005 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2005 A Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 2005 A Bonds proceeds in the amount of \$-0- will be deposited in the Series 2005 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2005 A Bonds will be deposited in the Series 2005 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2005 A Bonds and related costs.

Amounts in the Series 2005 A Bonds Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years, except as otherwise set forth herein. All of such monies are necessary for such purpose.

Except for "preliminary expenditures" as defined in Treasury Regulation §1.150-2(f)(2), none of the proceeds of the Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Monies held in the Series 2005 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2005 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2005 A Bonds Sinking Fund and Series 2005 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2005 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Except for the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Series 2005 A Bonds, or which are pledged as collateral for the Series 2005 A Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 2005 A Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that monies in the Depreciation Fund will be used or needed for payments upon the Series 2005 A

Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan producing a yield in excess of the yield on the Series 2005 A Bonds have been or will be pledged to payment of the Series 2005 A Bonds. Less than 10% of the monies received from the sale of the Series 2005 A Bonds, if any, will be deposited in the Series 2005 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2005 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Series 2005 A Bonds and will not exceed 125% of average annual principal of and interest on the Series 2005 A Bonds. Amounts in the Series 2005 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 2005 A Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2005 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Series 2005 A Bonds, and is reasonably required to assure payments of debt service on the Series 2005 A Bonds.

Because amounts in the Sewerage System Depreciation Fund may be expended for other purposes, there is no reasonable assurance that any such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation.

14. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 7 months of the date hereof.

16. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds 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.

17. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

18. With the exception of the amount deposited in the Series 2005 A Bonds Sinking Fund for payment of interest on the Bonds and the amount deposited in the Series 2005 A Bonds Reserve Account, if any, all of the proceeds of the Series 2005 A Bonds will be expended on the Project within 10 months from the date of issuance thereof.

19. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

20. The Series 2005 A Bonds Sinking Fund (other than the Series 2005 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 2005 A Bonds Sinking Fund (other than the Series 2005 A Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds, or 1 year's interest earnings on the Series 2005 A Bonds Sinking Fund (other than the Series 2005 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2005 A Bonds Sinking Fund for payment of the principal of or interest on the Bonds (other than the Series 2005 A Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any monies received from the investment of amounts held in the Series 2005 A Bonds Sinking Fund (other than in the Series 2005 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

21. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

22. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

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

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

25. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

26. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be

necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

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

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

29. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

30. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Bonds 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) issued by the Issuer during the calendar year in which the Bonds are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect applicable to the Bonds. For purposes of the first paragraph of this Section and for purposes of applying Section 148(f)(4)(D) 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 governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of this Section and Section 148(f)(4)(D) of the Code to each 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)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

31. The Issuer has either (a) funded the Series 2005 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2005 A Bonds in the then current or any succeeding year with the proceeds of the Series 2005 A Bonds, or (b) created the Series 2005 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2005 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2005 A Bonds in the then current or any succeeding year. Monies in the Series 2005 A Bonds Reserve Account

and the Series 2005 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2005 A Bonds and will not be available to pay costs of the Project.

32. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

33. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with any of the Bonds 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 any of the Bonds.

34. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

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

36. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

37. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center.

38. All proceeds of the Bonds to be used for payment of costs of the Project will be expended for such purposes within 3 years of the date of issuance of the Bonds.

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

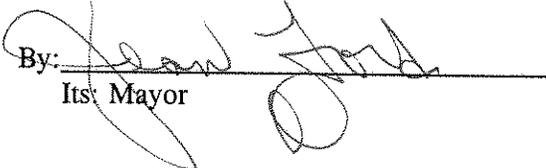
40. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

41. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

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

WITNESS my signature as of the date first written above.

THE CITY OF WILLIAMSTOWN

By:   
Its: Mayor

05/19/05  
976720.00002

THE CITY OF WILLIAMSTOWN

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

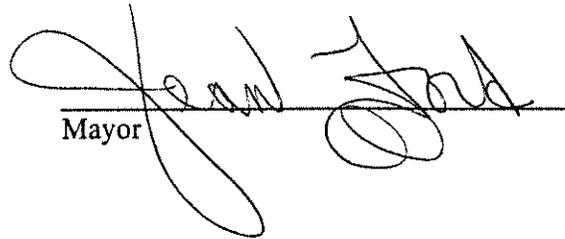
Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of The City of Williamstown does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

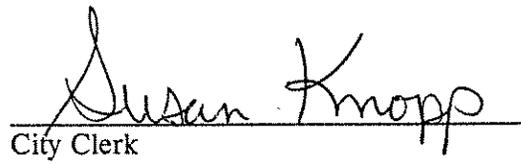
2. Special Meetings. A notice shall be posted by the City Clerk at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 16th day of November, 2004.

  
\_\_\_\_\_  
Mayor

ATTEST:

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

976720.00001  
11/01/04

## PART I.

### THE CHARTER.

Editor's note.--The Charter herein set out is as enacted by the legislature, acts 1921 (Munl. ch.) chapter 30, passed April 19, 1921, approved by the governor April 20, 1921, effective ninety days from passage, as subsequently amended by the legislature and by Home Rule Ordinances, and each section is followed by an historical citation indicating the derivation of the section. The frontal section analysis differs somewhat from that of chapter 30 of the 1921 Act, so as to more fully disclose the contents, and section catch-lines have been added in accord therewith, none of which is to be regarded as official. Similarly, the editors have inserted some words in brackets; they have adopted a uniform system of capitalization, and have used Arabic numerals instead of spelling out dates.

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

Williamstown City Code

*Section 8-1-6, therefore, sets forth certain rules to be applied, in addition to the usual and ordinary rules of statutory construction, with respect to construction and applicability of legislative charters, and it is suggested that users of this city Code refer to W. Va. Code, § 8-1-6, in determining the present construction and applicability of any portion of the Williamstown Charter to any given situation. For state law as to revising or amending a municipal charter, see W. Va. Code, §§ 8-4-7, 8-4-8.*

- § 1. "The City of Williamstown" incorporated; corporate powers generally.
- § 2. Corporate limits.
- § 3. Applicability of state general and special laws; continuity of ordinances, etc., of former Town of Williamstown.
- § 4. Mayor and four councilmen at large constitute city council; governing body; election date and terms of office; filling vacancies.
- § 5. "General election;" announcement of candidacies; printing of ballots; conduct of elections; determination of results, etc.
- § 6. Composition of council; voting in council; quorum; recording of votes; presiding officer; authentication of acts of the council.
- § 7. Powers of council and its members; certain departments established and powers and duties defined; assignment of personnel; rules and regulations.
- § 8. Mayor as ex officio department head and city judge; designation of other department heads; appointment of other city officers; removal of city officers.
- § 9. Authority of council to create, fill and discontinue other positions and to provide compensation therefor.
- § 10. Office or offices for mayor and council; compensation of mayor, councilmen and all other officers and employees, and how paid.
- § 11. Council meetings; president and vice president of council; reports to council by mayor; who acts for absent or disabled mayor.
- § 12. Certain ordinances to be available for public inspection in final form one week before passage; limitations on granting of franchises.
- § 13. Prohibited taking of gifts or accepting of services by city officers and employees; contracts void when in violation of this section.
- § 14. Authority of council to create civil service board and to establish civil service throughout city.
- § 15. Authority of council to publish receipts and expenditures; annual audit of all city books and accounts, and publication of results.
- § 16. Special appropriations authority of city council elected in 1921; section now obsolete.

- § 17. "Officers," "franchise" and "electors," as used in Charter, defined.
- § 18. Power of council to levy and collect taxes on real and personal property, and to grant licenses and collect license taxes thereon.
- § 19. Paving and sewerage; two-thirds of cost to be paid by property owners; street railways' part; one-tenth to be paid each year; cost a lien upon property; statements of assessments to be recorded in office of clerk of county court; default in payment, how collected; notices describing improvements and property giving amount of assessments to be published; grievances; council to appoint day for hearing; bonds for pavements, sidewalks and sewers; how same are to be issued; not to be sold for less than par; payable in ten years; assessments applied to liquidation; debts not to exceed five per centum of taxable property; to be submitted to voters and receive three-fifths of votes cast; issue not to exceed amount authorized by election; chapter forty-seven-a of the code to apply; plans, specifications, profiles and estimates to be on file for examination; notice giving nature of work and manner of payment to be published.
- § 20. Limited authority to levy annual tax on real and personal property for paving and for sewer construction.
- § 21. Procedure for recall of elected officer and to elect a successor; person sought to be recalled may be candidate to succeed himself.
- § 22. Initiative and referendum; ordinances adopted by vote of electorate may be repealed only by vote of electorate.
- § 23. Effective date of ordinances and franchises and required posting thereof; suspension from operation upon protest of twenty per centum of voters; submission to election.
- § 24. Petitions to be signed by legal voters only, supported by affidavit.
- § 25. Reiteration of authority of council to levy annual tax on real and personal property; other taxing authority; taxes to be uniform; limitation on taxation.
- § 99. Authority to acquire and equip various public utilities, parks, buildings, etc., and to issue and sell bonds for such purpose subject to conditions and limitations herein specified.

Sec. 1. "The City of Williamstown" incorporated; corporate powers generally.

The inhabitants of so much of the County of Wood as is within the bounds prescribed by section 2 of this act, [charter], and their successors, shall be and remain and they are hereby constituted a body politic and corporate, by the name of "The City of Williamstown", and as such, and by that name shall have perpetual succession and a common seal and may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, and may purchase, take, receive, hold and use goods and chattels, lands and tenements, and choses in action, or any interest, right or estate therein, either for the proper use of said city or in trust for the benefit of any person or cor-

poration therein; and the same may grant, sell, convey, transfer, let and assign, pledge, mortgage, charge and encumber in any case, and in any manner, in which it would be lawful for a private individual so to do, subject to the limitations and provisions of the Constitution of the state; and may have and use a common seal and alter and renew the same at pleasure; and generally shall have all the rights, franchises, capacities and powers appertaining to like corporations in this state, and shall have and succeed to all powers, franchises and immunities, rights and privileges, which were conferred upon or belonged or appertained to the Town of Williamstown by virtue of any act or acts of the general assembly of the State of Virginia or of the legislature of this state heretofore passed; and shall have all the rights, privileges, capacities and powers provided by chapter 47 of the Code of West Virginia, as contained in the edition of the year 1899 and for which provision is not herein otherwise expressly made. (Acts 1921 (Munl. ch.), ch. 30, § 1.)

*Editor's note.--The reference to chapter 47 of the Code of "1899" appears to relate to chapter 47 of the Code of 1906, captioned, "Cities, towns and villages," the subject matter of which is now contained in W. Va. Code, chapter 8.*

## Sec. 2. Corporate limits.

The corporation limits and boundary of said City of Williamstown shall be as follows:

Beginning at a point on the bank of the Ohio river on the land of the heirs of George Henderson, deceased, from which an elm 40 inches in diameter bearing N. 65 degrees 30' E. 2 31/100 chains distant; and running thence from said point, S. 42 degrees E. 45 chains to a point where a hickory 20 inches in diameter bears S. 16 degrees and 30' W. 16 links distant and a hickory 18 inches in diameter bears S. 75 degrees E. 71 links distant; thence S. 64 degrees and 30' E. 40 chains and 45/100 to a point in line between Biddle and Spies where a hickory 14 inches in diameter bears N. 65 degrees and 30' E. 19 links distant, and a white oak 14 inches in diameter bears S. 8 degrees and 30' W. 25 links distant; thence with said line N. 38 degrees E. 6 70/100 chains to a stake near a corner to lands of Spies and Ruf; thence N. 64 degrees and 10' E. 31 and 30/100 chains to the east line of Joseph Bush; thence N. 34 degrees and 20' E. 11 and 20/100 chains with his line to a stone at the south-east corner of lands of said Bush; thence N. 58 degrees W. 1 4/100 chains with another of his lines; thence with the line between Wanless and Arbour N. 26 degrees E. 43 and 87/100 chains to the Ohio river; and thence same course continued 10 35/100 chains to the island known as Kerr's Island; thence same course 4 88/100 chains across the said island; thence same course 11 and 90/100 chains to low water line on the Ohio side; thence down the river and with the meanders thereof N. 64 degrees W. 6 chains; thence N. 69 degrees W. 20 chains; thence N. 79 degrees W. 12 chains; thence N. 84 degrees 30' W. 11 chains; thence N. 88 degrees 30' W. 10 and 92/100 chains; thence 84 degrees W. 7 50/100 chains; thence S. 83 degrees 10' W. 19 and 4/100 chains to the mouth of the Muskingum river;

thence S. 83 degrees W. 12 and 61/100 chains across said river; thence S. 32 degrees W. 7 chains; thence S. 46 degrees 30' W. 9 chains; thence 66 degrees W. 27 chains; thence 62 degrees W. 12 and 50/100 chains; thence S. 56 degrees W. 8 and 88/100 chains; thence S. 42 degrees E. 22 chains crossing the Ohio river to the place of beginning, containing 969 and 35/100 acres including the Ohio river, which contains 315 and 20/100 acres, containing exclusive of the Ohio river 654 and 15/100 acres, in said boundary, which territory is situated in the district of Williams, in the County of Wood and State of West Virginia. (Acts 1921 (Munl. ch.), ch. 30, § 2.)

Sec. 3. Applicability of state general and special laws; continuity of ordinances, etc., of former Town of Williamstown.

All general and special laws of the State of West Virginia, governing cities and towns and now [April 19, 1921] applicable and not inconsistent with the provisions of this act, [Charter], shall apply to and govern the City of Williamstown. All by-laws, ordinances and resolutions lawfully passed and in force in the Town of Williamstown under its former organization, and not inconsistent herewith, shall remain in force throughout the City of Williamstown until altered or repealed by the council elected under the provisions of this act [Charter]. All rights and property heretofore vested in said Town of Williamstown are continued and preserved in its title and property vested in said City of Williamstown and no right or liability, either in favor of or against, the said Town of Williamstown at the time this act takes effect [90 days from April 19, 1921], and no suit or prosecution of any kind, shall be effected by such change, unless otherwise provided for in this act [Charter]. (Acts 1921 (Munl. ch.), ch. 30, § 3.)

Sec. 4. Mayor and four councilmen at large constitute city council; governing body; election date and terms of office; filling vacancies.

The governing body of the city shall be a council composed of a mayor and four councilmen who shall be elected at large. Elections shall be held in the city every two years on the Tuesday after the first Monday in June of each odd-numbered year. The first election under this section as hereby amended shall be held on the Tuesday after the first Monday in June, 1973.

At the said first election as herein provided, a mayor and four councilmen shall be elected. The mayor shall serve for a term of two years. The two candidates for councilman receiving the highest and second highest number of votes cast shall serve for a term of four years. The two candidates for councilman receiving the third highest and fourth highest number of votes cast shall serve for a term of two years. The terms of office of the incumbent mayor and all incumbent councilmen at the time of the adoption of this Charter amendment [Oct. 17, 1972] shall terminate at the commencement of the terms of the newly-elected mayor and councilmen as herein provided. At all subsequent elections held in the said city under this section as amended, there shall be a mayor who shall serve for two years and two councilmen who shall serve for four years. The terms of office of all elected officers hereunder shall begin on the second Monday after their election.

If any vacancy occurs in any such office, the remaining members of the said council shall appoint an eligible person to fill such vacancy during the balance of the unexpired term. (Acts 1921 (Munl. ch.), ch. 30, § 4; Acts 1925 (Munl. ch.), ch. 13, § 4; Home Rule Ord. 10-17-72.)

*For state law as to election date and terms of mayors and councilmen generally, see W. Va. Code, § 8-5-5.*

Sec. 5. "General election;" announcement of candidacies; printing of  
*AMMENDMENT 6/4/81* ballots; conduct of elections; determination of results, etc.

There shall be one municipal election, known as the "General Election" wherein the mayor and councilmen shall be elected.

Any person desiring to become a candidate for mayor or councilman shall, not later than the third Tuesday in May prior to said election, file with the city clerk a statement of such candidacy in substantially the following form:

"State of West Virginia, Wood County, ss:

"I, \_\_\_\_\_, being first duly sworn, say that I reside at \_\_\_\_\_ Street, City of Williamstown, County of Wood, State of West Virginia; that I am a qualified voter therein; that I am a candidate for the office of (mayor or councilman) to be voted upon at the general election to be held on the first Tuesday after the first Monday in June, 19\_\_\_\_, and I hereby request that my name be printed upon the official ballot as a candidate for such office.

"Signed \_\_\_\_\_  
"Subscribed and sworn to (or affirmed) before me by \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

"Signed \_\_\_\_\_"

and at the same time file therewith the petition of at least twenty-five qualified voters requesting such candidacy. Each petition shall contain the street addresses of its signers and shall be verified by one or more persons as to qualifications and residences. The said petition shall be in substantially the following form:

"PETITION ACCOMPANYING NOMINATING STATEMENT

"The undersigned, duly qualified electors of the City of Williamstown, residing at the places set forth opposite our respective names hereon, do hereby request that the name of (name of candidate) be placed on the ballot as candidate for (name of office) at the general election to be held in such city on the first Tuesday after the first Monday in June, one thousand nine hundred and \_\_\_\_\_.

"We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment, for the duties of such office.

"Names of Qualified Electors      Street Address."

Immediately upon expiration of the time of filing the statements and petitions for candidates, the clerk of the municipality [city clerk] shall cause to be published in proper form, the names of the persons as they are to appear upon the general ballot, which publication may be made by posting copies thereof at four of the most public places in the said City of Williamstown, including the place of the meeting of the council and the mayor's office at least ten days immediately preceding the general election, or if the council so orders, by publication in the last issue of a newspaper of general circulation in said City of Williamstown immediately preceding such general election; and the said clerk shall thereupon cause the ballots to be printed, authenticated with a facsimile of his signature. Upon the said ballot the names of the candidates for mayor, arranged alphabetically shall first be placed, with a square to the left of each name and immediately below the words "vote for one", and immediately below the names of the candidates for mayor shall appear in alphabetical order the names of the candidates for councilmen with a square at the left of each name and below the names of such candidates shall be the words "vote for two". All ballots shall be printed upon plain, substantial white paper and shall be headed "Candidates for Mayor and Councilmen of the City of Williamstown, at the General Election". No political party designation or mark whatsoever shall appear upon any ballot. The ballot shall be in substantially the following form:

"(Place a cross in the square preceding the names of the parties for whom you wish to vote for the respective offices.)

"OFFICIAL GENERAL BALLOT

"Candidates for mayor and councilmen of the City of Williamstown at the General Election.

## "For Mayor

"( ) (name of candidate)  
(vote for one)

## "For Councilmen

"( ) (names of candidates)  
(vote for two)

"Official ballot, attest:

"Signature \_\_\_\_\_  
City Clerk"

The ballots shall be prepared by the said clerk for all subsequent elections in said city under the provisions of this act [section] as amended and shall be printed upon the same kind of paper and shall be in the same form.

Having caused said ballots to be printed, the city clerk shall cause to be delivered to each polling place a number of ballots equal to twice the number of votes cast in such polling precinct at the last general election for mayor. Persons who are qualified to vote at the general elections shall be permitted to vote and challenges can be made by not more than two persons, to be appointed at the time of the opening of the polls by the judge of the election. The law applicable to challenges at a general municipal election shall be applicable. [See W. Va. Code, § 3-1-41.] Judges of elections shall, immediately upon closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each of the candidates, and make return thereof to the city clerk without unnecessary delay.

On the day following the general election the clerk shall canvass the returns so received from all the polling precincts, and shall make and publish in some newspaper of general circulation in the city at least once, the result thereof and post the same at four of the most public places in the City of Williamstown, including the place of the meeting of the council and the mayor's office. Said canvass by the clerk shall be publicly made.

At all general elections to be held in the City of Williamstown the candidate receiving the highest number of votes for mayor shall become the mayor, and the two candidates receiving the highest number of votes for councilmen shall become councilmen.

In all elections in such city the election precincts, voting places and announcing of results, shall be the same as by law provided for election of county and state officers in said city, so far as the same are applicable to and not inconsistent with the provisions of this section. (Acts 1921 (Munl. ch.), ch. 30, § 5; Acts 1925 (Munl ch.), ch. 13, § 5; Home Rule Ord. 10-17-72.)

Sec. 6. Composition of council; voting in council; quorum; recording of votes; presiding officer; authentication of acts of the council.

Said city shall be governed by a council, consisting of the mayor and four councilmen chosen as provided in this act [Charter], each of whom shall have the right to vote on all questions coming before the council. Three members of the council shall constitute a quorum, and the affirmative of three members shall be necessary to adopt any motion, resolution or ordinance, or pass any measure. Upon every vote the yeas and nays shall be called and recorded, and every motion, resolution or ordinance shall be reduced to writing and read before the vote is taken thereon. The mayor shall preside at all meetings of the council; he shall have no power to veto any measure, but every resolution or ordinance passed by the council must be signed by the mayor, or by three councilmen, and be recorded before the same shall be in force. (Acts 1921 (Munl. ch.), ch. 30, § 6.)

Sec. 7. Powers of council and its members; certain departments established and powers and duties defined; assignment of personnel; rules and regulations.

The council shall have and possess, and the council and its members shall exercise, all executive, legislative and judicial powers conferred upon cities, towns and villages by the general law of the state and by this act [Charter].

The executive and administrative powers, authority and duties in said city shall be distributed into and among five departments as follows:

- (a) Department of public affairs,
- (b) Department of accounts and finance,
- (c) Department of public safety,
- (d) Department of streets, parks, public improvements and public property,
- (e) Department of waterworks and sewers.

The council shall determine the powers and duties to be performed by, and assign them to, the appropriate department, shall prescribe the powers and duties of officers and employees, may assign particular officers and employees to one or more of the departments; may require an officer or employee to perform duties in two or more departments; and may make such other rules and regulations as may be necessary or proper for the efficient and economical conduct of the business of the city. (Acts 1921 (Munl. ch.), ch. 30, § 7.)

Sec. 8. Mayor as ex officio department head and city judge; designation of other department heads; appointment of other city officers; removal of city officers.

The mayor shall be superintendent of the department of public affairs and ex-officio city judge, and shall, at the first regular meeting after each election of council, designate one councilman to be superintendent of the department of accounts and finance, one to be superintendent of the department of public safety, one to be superintendent of the department of streets, parks, public improvements and public property, and one to be superintendent of the department of waterworks and sewers; that such obligation shall be changed whenever it appears that the public service would be benefited thereby.

The council may, at the first meeting, or as soon as practicable thereafter, select by a majority vote the following officers: A clerk, solicitor, city civil engineer, city physician, chief of police, chief of fire department, city collector, street commissioner, and such other officers and assistants as shall be provided for by ordinance and necessary to the proper and efficient conduct of the affairs of the city. Any officer, assistant or employee elected, appointed or employed may be removed at any time by a vote of a majority of the members of the council, under such regulations as the council may prescribe. (Acts 1921 (Munl. ch.), ch. 30, § 8; Home Rule Ord. 10-17-72.)

*Editor's note.--The mayor no longer acts as city judge; see chapter 12 of this Code, relating to the municipal court of the city, established pursuant to authority of W. Va. Code, § 8-10-2.*

Sec. 9. Authority of council to create, fill and discontinue other positions and to provide compensation therefor.

The council shall have power from time to time to create, fill and discontinue offices and employments other than herein prescribed, according to their judgment of the needs of the city, and may, by resolution or otherwise, prescribe, limit or change the compensation of such officers or employees. (Acts 1921 (Munl. ch.), ch. 30, § 9.)

Sec. 10. Office or offices for mayor and council; compensation of mayor, councilmen and all other officers and employees, and how paid.

The mayor and council shall have an office or offices and their total compensation shall be as follows: The annual salary of the mayor shall not exceed two hundred dollars, and the annual salary of each councilman shall not exceed one hundred dollars, which salaries shall be payable in equal quarterly installments.

Every other officer or assistant shall receive such salary or compensation as the council shall by ordinance provide, payable in equal monthly installments.

The salary and compensation of all other employees of said city shall be fixed by council, and shall be payable monthly or at such shorter periods as the council may determine. (Acts 1921 (Munl. ch.), ch. 30, § 10; Home Rule Ord. 10-17-72.)

*For state law providing that "notwithstanding any charter provision to the contrary," the governing body of every municipality may fix the compensation of all officers and employees; but no officer's salary shall be increased or diminished during this term, see W. Va. Code, § 8-5-12.*

Sec. 11. Council meetings; president and vice president of council; reports to council by mayor; who acts for absent or disabled mayor.

Regular meetings of the council shall be held on the second Monday after the election of councilmen, and thereafter at least twice each month. The council shall provide by ordinance for the time for holding regular meetings, and special meetings may be called from time to time by the mayor or two councilmen. All meetings of the council, whether regular or special, at which any person not a city officer is admitted, shall be open to the public.

The mayor shall be president of the council and preside at all meetings, and shall supervise all departments and report to the council for its action all matters requiring attention in any department. The superintendent of the department of accounts and finance shall be vice-president of the council, and in case of vacancy in the office of mayor, or the absence or inability of the mayor, shall perform the duties of mayor. (Acts 1921 (Munl. ch.), ch. 30, § 11.)

Sec. 12. Certain ordinances to be available for public inspection in final form one week before passage; limitations on granting of franchises.

Every ordinance or resolution appropriating money or ordering any street improvement or sewer, or making or authorizing the making of any contract, or granting any franchise or right to occupy or use the streets, highways, bridges or public places in the city for any purpose, shall be complete in the form in which it is finally passed, and remain on file with the city clerk for public inspection at least one week before the final passage or adoption thereof. No franchise or right to occupy or use the streets, highways, bridges or public places in said city shall be granted, renewed or extended, except by ordinance. No franchise shall be granted for a period exceeding thirty years, and no amendment or ad-

dition thereto shall extend beyond the termination of the original franchise. (Acts 1921 (Munl. ch.), ch. 30, § 12.)

*For state law as to cases requiring enactment of ordinance, see W. Va. Code, § 8-11-3. As to procedures for enactment of ordinances, "notwithstanding any charter provision to the contrary," see W. Va. Code, § 8-11-4.*

Sec. 13. Prohibited taking of gifts or accepting of services by city officers and employees; contracts void when in violation of this section.

No officer or employee of said city shall accept or receive, directly or indirectly, from any person, firm or corporation, operating within the territorial limits of said city any interurban railway, street railway, gas works, water works, electric light or power plant, heating plant, telegraph line or exchange, or other business using or operating under a public franchise, any frank, free pass, free ticket, or free service, or accepts or receives [accept or receive], directly or indirectly, from any such person, firm or corporation, any other service upon terms more favorable than is granted to the public generally. Any violation of the provisions of this section shall be a misdemeanor, and every such contract or agreement shall be void.

Such prohibition of free transportation shall not apply to policemen or firemen in uniform; nor shall any free service to city officials heretofore provided by any franchise or ordinance be affected by this section. (Acts 1921 (Munl. ch.), ch. 30, § 13.)

Sec. 14. Authority of council to create civil service board and to establish civil service throughout city.

Council may create by appointment, a civil service board, consisting of three residents of the city, whose duty it shall be to examine all applicants for positions in the departments of police, fire, and such other departments as may be ordained, including the chiefs of such departments; and shall define the terms and prescribe the duties of the members of said board. All appointments to said departments shall be made from applicants recommended by said board, and when appointed, shall be removed only for cause. (Acts 1921 (Munl. ch.), ch. 30, § 14.)

Sec. 15. Authority of council to publish receipts and expenditures; annual audit of all city books and accounts, and publication of results.

The council may each month print a pamphlet for a detailed itemized statement of all receipts and expenses of the city and a summary of its proceedings

during the preceding month, and furnish printed copies thereof to the state library, the weekly newspapers of the city, and to persons who apply therefor at the office of the city clerk. At the end of each year the council shall cause a full and complete examination of all books and accounts of the city to be made by competent accountants and shall publish the results of such examination in the manner provided for publication of statements of monthly expenditures. (Acts 1921 (Munl. ch.), ch. 30, § 15.)

*For state law as to annual financial statements required of all municipalities, see W. Va. Code, § 8-13-23.*

Sec. 16. Special appropriations authority of city council elected in 1921; section now obsolete.

*Editor's note.--The text of this section, being § 16, ch. 30, Acts 1921, (Munl. ch.), is omitted as obsolete.*

Sec. 17. "Officers," "franchise" and "electors," as used in Charter, defined.

In the construction of this act [Charter] the following rules shall be observed, unless such construction would be inconsistent with the manifest intent, or repugnant to the context:

(a) When an "officer" or "officers" is named in any law referred to in this act it shall, when applied to said city, be construed to mean the officer or officers having the same functions or duties under the provisions of this act, or under ordinances passed under authority thereof.

(b) The word "franchise" shall include every special privilege in the streets, highways and public places of the city, whether granted by the state or the city, which does not belong to citizens generally by common right.

(c) The word "electors" shall be construed to mean persons qualified to vote for elective officers at regular municipal elections. (Acts 1921 (Munl. ch.), ch. 30, § 17.)

Sec. 18. Power of council to levy and collect taxes on real and personal property, and to grant licenses and collect license taxes thereon.

Council shall have the right to levy and collect taxes on property, real and personal, and to grant licenses, and to assess and collect taxes on such licenses as are taxable under the laws of the State of West Virginia, not to exceed in amount and rate the tax on such licenses imposed by the State of West Virginia. (Acts 1921 (Munl. ch.), ch. 30, § 18.)

Sec. 19. Paving and sewerage; two-thirds of cost to be paid by property owners; street railways' part; one-tenth to be paid each year; cost a lien upon property; statements of assessments to be recorded in office of clerk of county court; default in payment, how collected; notices describing improvements and property giving amount of assessments to be published; grievances; council to appoint day for hearing; bonds for pavements, sidewalks and sewers; how same are to be issued; not to be sold for less than par; payable in ten years; assessments applied to liquidation; debts not to exceed five per centum of taxable property; to be submitted to voters and receive three-fifths of votes cast; issue not to exceed amount authorized by election; chapter forty-seven-a of the code to apply; plans, specifications, profiles and estimates to be on file for examination; notice giving nature of work and manner of payment to be published.

The council of the city may cause any street or alley or part thereof, to be paved with cobblestone, brick, concrete or other suitable material, curbing and suitable sidewalks laid, and a sewer or sewers to be constructed therein, or to have such paving done without the construction of such sewer or sewers, or a sewer or sewers constructed without such paving under such regulations, not inconsistent with the provisions of this section, as shall be fixed by council, upon the lowest and best terms to be obtained by the council by advertising for bids or proposals therefor, and two-thirds of the cost thereof (which cost shall include the cost and expense of preliminary and other survey, of printing and publishing all notices required to be published in relation thereto, and the cost of construction) shall be assessed to and paid by the owners of the lots or fractional parts of lots abutting or bounding on that part of the street so improved, paved or sewerage; and against the said lots or fractional parts of lots abutting or bounding on that part of the street so improved, paved or sewerage; and against the said lots or fractional parts of lots in proportion to the number of feet frontage owned by each, and one-third of the cost thereof and the whole of the cost of paving and sewerage intersections of streets and public alleys, and the proportion for lots, or parts of lots, or property against which no assessment can be legally made, shall be assessed to and paid by the city; provided, further, in case of a street or public alley occupied by street car tracks or other railway, the cost of paving the space between the rails, and for two feet additional outside each rail, shall be assessed to and paid by the street car or other railway company.

The amount assessed against such abutting lots, or fractional parts of lots, to the said abutting property owners, the city and street car or other railway company, as aforesaid, respectively, shall be paid in ten payments as follows: that is to say, one-tenth of said amount, together with the interest at the rate of six per centum from the acceptance of the work by the city on the whole assessment, shall be paid to the city on or before the first day of May next after the work is accepted, and a like one-tenth, together with interest for one year

upon the whole amount remaining unpaid, on or before the first day of May in each succeeding year, thereafter, until all has been paid; and each installment shall bear interest at the rate of six per centum per annum from the date of its maturity; and, moreover, to each installment remaining unpaid on the days herein specified for the payment thereof, a penalty of ten per centum per annum of said installment shall be added and collected by the city. Provided, however, that any abutting property owner, the city, or street car or other railway company, against whom or against whose property said assessments have been made, shall have the right at any time after such assessments shall have been certified to the superintendent of the department of accounts and finance for collection, as hereinafter provided, to anticipate any or all of such assessments and shall be allowed to pay the face of said assessments with interest only to the time of payment.

(a) The sum or sums of money so assessed, together with the interest and penalty aforesaid, for paving or sewerage, or other said improvements, shall be a lien upon the lots or fractional parts of lots, and in case of a street car or other railway company, upon its tracks for the distance of said improvement, from the date of acceptance of said work by the city, and said lien shall have priority over all other liens, except those for taxes due to the state, and shall be on a parity with the taxes and assessments due the city; provided, however, such assessments shall, after six months from the date of the acceptance of said work, cease to constitute liens against said property as against creditors of the owners thereof or purchasers thereof for value without actual notice of such liens unless within six months a statement of said liens, certified as hereinafter provided, shall be filed for record in the office of the clerk of the county court of the county in which said property is situated.

(b) Immediately upon the acceptance of the work by the city, the clerk shall make out bills for the sums of money assessed as aforesaid against the property owners aforesaid, and shall at the same time make and certify a statement of the assessments aforesaid in which shall be given the location of the real estate affected, and the name of the owner, the date of the acceptance of said work by the city, and the amount of the assessment, and it shall be sufficient description of the location of said real estate to describe it as abutting upon said improvement included between the terminal of said improvement, or by the description by which it is described on the land books of the county in which said lots are situated, and shall cause said statement to be immediately recorded in the office of the clerk of the county court of the county in which such property is situated; and it shall be, and it is hereby made the duty of said county clerk, to record said statement in the trust deed books in the name of the city and also in the name of each person against whose property said assessments appear therein, and said clerk shall be paid for recording said statement the same fees as for recording deeds of trust. And said bills for said assessment shall be charged to the superintendent of the department of accounts and finance and immediately certified and delivered for collection.

(c) Upon default being made in the payment of any installment of the assessment aforesaid, the same shall be immediately reported to the council by the superintendent of the department of accounts and finance, and the council shall forthwith refer the same to such officer as it may deem expedient, for collection, and payment of said delinquent installments, with the interest and the penalty aforesaid, may be enforced in all respects as provided for the collection of city taxes, or the lien aforesaid may be enforced by a suit in equity in the name of the city in any court having jurisdiction thereof; and the said delinquent assessments or any installment thereof, may be collected from the person against whom the same were assessed by action at law before any court or a justice of the peace having jurisdiction thereof.

(d) Immediately upon the completion and acceptance of any of the work aforesaid, constructed by virtue of this section, the council shall direct the clerk to cause to be prepared a notice which shall name and describe the location of the street or alley upon which said work shall have been constructed; give the names of the owners of each lot or fractional part of lot abutting or bounding upon said street or alley, and also the name of any street car or other railroad company having tracks upon said street or alley, where assessed for paving, if known, and if the name or names of the owners or owner of any lot or fractional part of lot, or of such street car or other railway company are unknown, such lot or fractional part of lot, and the location of the paving assessed to such street car or other railway company, shall be described with reasonable certainty so that the same may be identified. The number of feet that each lot or a fractional part of lot abuts upon said street or alley, the street or alley intersections and all abutting city property and property not liable to assessment, and the number of square feet or yards to be paid for by said street car or other railway company, also the amount assessed against the city, as well as the amount assessed against any street car or other railway company, shall be stated. Said notice shall cite all owners of lots or fractional parts of lots abutting upon the streets or alleys aforesaid, and also said street car or other railway company, to appear before the council at a regular meeting thereof within thirty days from the first publication thereof and show cause, if any, they can, why the assessments aforesaid should not become final, which notice shall be published once a week for two successive weeks in one or more newspapers of general circulation published in said county, and affidavits of the publication of such notices showing the publication thereof as herein provided, shall be recorded in the minutes of the council at their next regular meeting. The council shall, upon the request of any one or more of the owners of said lots or fractional parts of lots, or of said street car or other railway company, appoint a day for hearing the grievances of said owner or owners, street car or other railway company, and may correct or amend any assessment made against them, or any one of them, for good cause shown. The clerk shall give notice to all persons claiming to be injured by said assessment, of the time and place of hearing said matters, which meeting shall be held within ten days after the expiration of the thirty days mentioned in said notice. The council may adjourn the hearing from time to time. In case any owner or owners of abutting property, or street car or other railway company, fail to complain of any damage

or injury they may have suffered or may suffer, by reason of the assessments aforesaid, and shall fail to appear for the purpose of having the same corrected, the assessments as to them, as laid, shall be final, and the said assessments shall then be recorded in the book in which the plans, specifications, profiles and estimates are recorded under the provisions hereof and next following the same therein. The finding of said council shall be conclusive. The rights conferred by this section are cumulative and shall not be exhausted as to any particular street or alley by reason of having been once exercised.

(e) Whenever it is deemed expedient by the council to provide for paving, sidewalks, curbing or sewers in or upon any of the streets or alleys of the city by the issue and sale of bonds of the city, it shall, by resolution entered of record on the minutes of its proceedings, so declare and thereupon the city shall be and is hereby empowered and authorized to issue its bonds for the purpose of providing for paving, laying sidewalks, curbing the streets and alleys of the city, in anticipation of special assessments to be made upon the property abutting upon the streets and alleys so improved, and upon street car and other railway companies occupying the said streets or alleys with tracks, and such bonds may be in such amount as shall be sufficient to pay the entire cost and expense of said improvements for which such special assessments are levied; and said city is also authorized to sell said bonds as a whole issue at one time or in separate lots or parcels from time to time as the council may deem advisable; provided, that the price for which they are sold shall not be below the par value of said bonds; said bonds shall be payable not to exceed ten years from the date of the issue thereof and shall bear interest at the rate not to exceed six per centum per annum, payable semi-annually, and in the issuance and sale of said bonds the city shall be governed by all the restrictions and limitations of the Constitution of the state, and, so far as not in conflict with the provisions of this section, by the restrictions and limitations of this state with respect to the issuance and sale of other bonds; and the assessments, as paid and provided for in this section, shall be applied to the liquidation of said bonds and the interest thereon and to that end paid to the trustees of the sinking fund of the city to be by them invested for the best advantage of the city, anything in any general or special statute of the state notwithstanding to the contrary; and if by reason of penalties collected with the delinquent installments there may be any balance after the payment of said bonds and all accrued interest and costs, the said balance shall be turned into the city treasury to the credit of a fund for street improvements for said city and used for no other purpose; provided, that the city shall not by the sale or issue of such bonds therein; nor shall said city make such issue and sale without at the same time providing for the collection of a direct annual tax sufficient to pay annually the interest on such debt and principal thereof within and not exceeding ten years.

All the assessments, interest and penalties thereon collected from the abutting property owners on account of the grading, paving, sewerage or otherwise improving the streets and alleys of the city, under the provisions of this section, shall annually be applied to the annual tax required to pay the interest on such debt and such principal within and not exceeding ten years; and in the event that the assessments, interest and penalties so collected should not amount to the

sum sufficient to pay annually the interest on such debt and the principal thereof within and not exceeding ten years, then the council shall collect so much of said levy as will pay annually the interest on such debt and the principal thereof within and not exceeding ten years.

(f) It is especially provided that no bonds shall be issued under the provisions of this section, unless and until the question of issuing said bonds shall have first been submitted to a vote of the people of the city and shall have received three-fifths of all votes cast at said election for or against the same. The council may provide by ordinance for an election every year at which the question shall be submitted to the people as to whether the city shall be authorized to issue bonds for the purpose and under the provisions of this section, to an amount not to exceed in the ensuing year the amount recommended by said ordinance for said ensuing year; but the ordinance providing for said election need not specify in detail the location of the improvements contemplated to be paid for during the ensuing year out of said aggregate issue authorized for said year; and it shall be sufficient description of the purpose for which said election is held, if the ordinance calling the same shall cite that it authorizes the council to issue bonds for the purpose of paving, curbing, laying sidewalks or sewerage the streets and alleys of said city, at such time as the council shall see fit during the ensuing year ending on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, to an amount not exceeding in the aggregate during said year the sum of \$ \_\_\_\_\_; and when the council shall have once been authorized by a vote of the people to issue bonds for the said purpose and to a sum not to exceed the amount set forth in the ordinance calling the said election, no further election shall be necessary for the issuing of bonds during said ensuing year up to the amount stipulated in said ordinance calling said election; but the council shall from time to time during the ensuing year by ordinance authorize the issue of said bonds, in such sums, and for the improvements of such streets and alleys as to it may seem best; provided, the requirements of this section are complied with. The aggregate amount of bonds authorized by said annual election shall not be exceeded during said year, unless and except the same be authorized by a special election held at a subsequent time in said year and duly called as provided for the calling of the annual bond election.

The provisions of chapter 47a of the code concerning bond elections, [Barnes' Code of West Virginia, 1923], shall, so far as they are not in conflict with the provisions of this section, apply to the annual bond elections and special bond elections herein provided for.

*Editor's note.--Those provisions of Barnes' Code of W. Va. which are still in effect are covered by or set out in W. Va. Const., art. X, § 1, and W. Va. Code, § 8-13-23 and ch. 13, art. 3.*

(g) Whenever it is deemed expedient by the council to provide for paying, curbing, sidewalks or sewers, or any other improvements on any streets or alleys of the city in whole or part, either by the issue of bonds theretofore authorized as herein provided, or by the appropriation of funds in the city treasury not otherwise appropriated, it shall first, having on file in the city clerk's office plans, specifications, profiles and estimates of the proposed improvements, showing the proposed grade of the street, or alley, after completion with reference to the abutting property, declare by resolution the expediency of the work; and said plans, specifications, profiles and estimates shall be open to public inspection.

Said resolutions shall determine the general nature of the work, the method of paying for the same, whether by an appropriation from the funds in the treasury not otherwise appropriated, or whether or not the bonds theretofore, as in this section provided, should be issued and sold; said resolution shall be complete in the form in which it is finally passed and remain on file with the city clerk for public inspection one week before the final passage or adoption thereof. Immediately upon the filing of said resolution with the clerk, a copy thereof shall be published once in some newspaper of general circulation in the city, and affidavits of the publishers of said newspapers showing the publication, with a copy of the notice attached, shall be spread upon the minutes of the meeting of the council at which said resolution is passed or adopted. Said resolution shall be posted at the front door of the building where the council holds its meetings on the day it is filed as aforesaid, and affidavit thereof shall be recorded in the minutes of the council at the next regular meeting.

Until said resolution is finally passed, the council shall hear all persons interested in relation thereto at any regular meeting, and if it decides to proceed with the improvement, it shall pass said resolution. And then said council may by resolution correct or amend said plans, specifications, profiles and estimates and approve and adopt them as so corrected, or as they were in their original form as to it may seem proper; and said plans, specifications, profiles and estimates shall be forthwith filed with the city clerk and by him recorded and attested in a well bound and permanent record book to be kept in his office. Both resolutions shall be in effect when finally passed.

The council may then adopt and pass ordinances for said purpose which shall provide generally the character of the work, make appropriations for the payment thereof, fix the time of payment of assessments therefor and the manner of giving notice of said assessment and correcting the same and providing advertisements for bids for said work; shall also set forth the streets and alleys upon which the property is to be assessed for said improvements, the general character of materials which may be bid upon therefor, the mode of payment for same and a reference to the resolution theretofore passed for said improvements, giving the date of passage, and a statement of the intention of council to proceed therewith in accordance with said resolution and in accordance with the plans, specifications, estimates and profiles provided for such improvements.

In any case where the council has determined to pay for any of such improvements out of the funds in the city treasury not otherwise appropriated, and not by the issuance or sale of bonds, said ordinance shall be passed and become effective as provided in section 12 of this chapter [Charter]; but in the event it has been determined to issue and sell bonds for the payment thereof, the said ordinance shall not be effective so as to permit any contract to be made or work to be done thereunder until, in addition to the compliance with the provisions of section 12, the fact that the proceeds of the sale of said bonds have been received by the city shall be certified by the superintendent of the department of accounts and finance and such certificate entered upon the minutes of the council.

(h) When the whole or any portion of the improvements authorized by this section passes through or by a public market, space, park, cemetery, structure for the fire department, water works, school building, infirmary, market house, work house, hospital, house of refuge, bridge, gas works, public prison, church, or any other public structure or public grounds, within said city, and belonging to said city, or to the county, state, board of education, or any church association or eleemosynary institution, the council shall direct the proper proportion of the cost and expenses of the improvements to be certified to the clerk of the county court of the county, wherein said city is situate, and the same shall thereupon be recorded by said clerk in the proper trust deed book and shall thereupon become a lien against said property and collectable as other assessments are collected against individuals under this section; and it shall be the duty of those persons, having charge of the fiscal affairs of any such property or institution, to make proper arrangements for meeting of such assessments when due and payable.

(i) All acts or parts of acts, whether special or general, which are in conflict with the provisions of this act [Charter], so far as they may apply to the City of Williamstown are to that extent repealed, except that said city may continue to pave sidewalks as the Town of Williamstown has authorized, and nothing herein contained shall in anywise affect or impair the right of the city to enforce the collection of any and all paving, sewerage or sidewalk bills or assessments, heretofore issued, laid or levied by the said City of Williamstown or Town of Williamstown, by virtue of any authority had by it. (Acts 1921 (Munl. ch.), ch. 30, § 19.)

Sec. 20. Limited authority to levy annual tax on real and personal property for paving and for sewer construction.

The council shall have authority to levy and collect an annual tax for the purpose hereinafter specified, on the personal property and real estate in said city subject to taxation by said city, not to exceed in any year ten cents on every hundred dollars of the assessed value thereof; the money so collected shall be used for the purpose of paying its proportion of the cost of paving or re-paving streets and alleys and for constructing sewers in said city, in accordance with

the provisions of section 19 of this act [Charter]; and such money shall in no case be used to pay for repairs or streets or alleys or sewers, or for any other purpose than for paving or for sewers. Provided, that the total levy for all purposes shall not exceed the total levy authorized by law. (Acts 1921 (Munl. ch.) ch. 30, § 20.)

Sec. 21. Procedure for recall of elected officer and to elect a successor; person sought to be recalled may be candidate to succeed himself.

The holder of any elective office may be removed at any time by the electors qualified to vote for a successor of such incumbent. The procedure to effect the removal of an incumbent of an elective office shall be as follows: A petition signed by electors entitled to vote for a successor to the incumbent sought to be removed, equal in number to at least twenty per centum of the entire vote for all candidates for the office of mayor cast at the last preceding general municipal election, demanding an election of a successor of the person sought to be removed, shall be filed with the city clerk; which petition shall contain a general statement of the grounds for which the removal is sought. The signatures to the petition need not be appended to one paper, but each signer shall add to his signature his place of residence, giving the street number. One of the signers of each such paper shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that each signature to the paper appended is the genuine signature of the person whose name it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine, and from the voters' register ascertain whether or not said petition is signed by the requisite number of qualified electors, and if necessary, the council shall allow him to have extra help for that purpose, and he shall attach to said petition his certificate showing the result of said examination. If by the clerk's certificate, the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition and if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same; without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed to be sufficient, the clerk shall submit the same to the council without delay. If the petition shall be found to be sufficient, the council shall order and fix a date for holding said election, not less than thirty days nor more than forty days from the date of the clerk's certificate to the council that a sufficient petition is filed.

The council shall make, or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned, and the result thereof declared in all respects as are other city elections. So far as applicable, except as otherwise herein provided, nominations hereunder shall be made without the intervention of a primary election by filing with the clerk, at least ten days prior to said special election, a statement of candidacy accompanied by a petition signed by electors entitled to vote at said special election, equal in number to at least ten per centum of the entire vote for all candidates for the office of mayor at the last preceding general municipal election;

which said statement of candidacy and petition shall be substantially in the form set out in section 5 of this act [Charter], so far as the same is applicable, substituting the word "special" for the word "primary" in such statement and petition and stating therein that such person is a candidate for election instead of nomination.

*Editor's note.--By home rule ordinance enacted in 1972, section 5 of the Charter was amended so as to abolish primary elections; and this section should be construed accordingly.*

The ballot for such special election shall be in substantially the following form:

"Official Ballot.

"Special election for the balance of the unexpired term of \_\_\_\_\_, as \_\_\_\_\_

"For \_\_\_\_\_  
" (Vote for one only)  
" (Name of candidate)

" [ ] \_\_\_\_\_  
" [ ] \_\_\_\_\_

"Name of present incumbent.  
"Official ballot, attest:  
"Signature \_\_\_\_\_  
City Clerk."

The successor of any officer shall hold office during the unexpired term of his predecessor. Any person sought to be removed may be a candidate to succeed himself, and unless he requests otherwise in writing, the clerk shall place his name on the official ballot without nomination. In any such removal election, the candidate receiving the highest number of votes shall be declared elected. At such election, if some other person than the incumbent receives the highest number of votes, the incumbent shall thereupon be deemed removed from office upon qualification of his successor. In case the party who received the highest number of votes shall fail to qualify within ten days after receiving notification of election, the office shall be deemed vacant. If the incumbent receives the highest number of votes, he shall continue in office. The said method of removal shall be cumulative and additional to the methods heretofore provided by law. (Acts 1921 (Munl. ch.), ch. 30, § 21.)

Sec. 22. Initiative and referendum; ordinances adopted by vote of electorate may be repealed only by vote of electorate.

Any proposed ordinance may be submitted to the council by petition signed by electors of the city equal in number to the percentage hereinafter required.

The signatures, verifications, inspection, certification, amendment and submission of such petition shall be the same as provided for petition under section 21 hereof.

If this petition accompanying the proposed ordinance be signed by electors equal in number to twenty per centum of the votes cast for all candidates for mayor at the last preceding general election, and contain a request that the said ordinance be submitted to a vote of the people, if not passed by the council, such council shall either--

(a) Pass such ordinance without alteration within twenty days after attachment of the clerk's certificate to the accompanying petition; or,

(b) Forthwith, after the clerk shall attach to the petition accompanying such ordinance his certificate of sufficiency, the council shall call a special election, unless the general municipal election is fixed within ninety days thereafter, and at such special or general municipal election, if one is fixed, such ordinance shall be submitted without alteration to the vote of the electors of said city. But if the petition is signed by no less than ten per centum of the electors, as above defined, then the council shall within twenty days, pass said ordinance without change, or submit the same at the next general election, occurring not more than ninety days nor less than thirty days after the clerk's certificate of sufficiency is attached to said petition.

The ballots used when voting upon said ordinance shall contain these words: "for the ordinance" and "against the ordinance" (stating the nature of the proposed ordinance). If the majority of the qualified electors voting on the proposed ordinance shall vote in favor thereof, such ordinance shall thereupon become a valid and binding ordinance of the city; and any ordinance proposed by petition or which shall be adopted by a vote of the people, cannot be repealed or amended except by a vote of the people. Any number of proposed ordinances may be voted upon at the same election in accordance with the provisions of this section; but there shall not be more than one special election in any period of six months for such purpose.

The council may submit a proposition for the repeal of any such ordinance or for amendment thereto, to be voted upon at any succeeding general city election; and should such proposition so submitted receive a majority of the votes cast thereon at such election, such ordinance shall thereby be repealed or amended accordingly. Whenever any ordinance or proposition is required by this act [Charter] to be submitted to the voters of the city at any election, the city clerk shall cause such ordinance or proposition to be published once in one of the newspapers published in said city; such publication to be not more than twenty nor less than five days before the submission of such proposition or ordinance to be voted on. (Acts 1921 (Munl. ch.), ch. 30, § 22.)

Sec. 23. Effective date of ordinances and franchises and required posting thereof; suspension from operation upon protest of twenty per centum of voters; submission to election.

No ordinance or franchise passed by the council, except when otherwise required by the general laws of the state or by the provisions of this act [Charter], except no ordinance for the immediate preservation of the public peace, health or safety, which shall contain a statement of its urgency, shall go into effect before ten days from the time of its final passage, and not then unless within two days after passage, Sundays and holidays excepted, copies of the same shall have been posted and left posted at the mayor's office and at least three other public places in the said city. And if during said ten days a petition signed by electors of the city, equal in number to at least twenty per centum of the entire votes cast for all candidates for mayor at the last preceding general municipal election at which a mayor was elected, protesting against the passage of such ordinance or franchise, be presented to the council, the said ordinance or franchise shall thereupon be suspended from going into operation; and it shall be the duty of the council to reconsider such ordinance or franchise, and if the same is not entirely repealed, the council shall submit the ordinance or franchise, as is provided by subsection "b" of section 22 of this act [Charter], to the vote of the electors of the city, either at a general election or at a special municipal election to be called for that purpose; and such ordinance or franchise shall not go into effect or become operative unless a majority of the qualified electors voting on the same shall vote in favor thereof. Said petition shall be in all respects in accordance with the provisions of said section 22, except as to the percentage of signers, and be examined and certified to the clerk in all respects as therein provided. (Acts 1921 (Munl. ch.), ch. 30, § 23.)

*For state law as to procedures for adoption of municipal ordinances, "notwithstanding any charter provision to the contrary", see W. Va. Code, § 8-11-4.*

Sec. 24. Petitions to be signed by legal voters only, supported by affidavit.

Petitions provided for in this act [Charter] shall be signed by none but legal voters of the city. Each petition shall contain in addition to the names of the petitioners, the street on which petitioner resides, his age and length of residence in the city. It also shall be accompanied by the affidavit of one or more legal voters of the city, stating that the signers thereof were at the time of signing, legal voters of said city, and the number of signers at the time the affidavit was made. (Acts 1921 (Munl. ch.), ch. 30, § 24.)

Sec. 25. Reiteration of authority of council to levy annual tax on real and personal property; other taxing authority; taxes to be uniform; limitation on taxation.

The council shall have authority to levy and collect an annual tax on real estate and personal property in said city, and to impose a license and assess a

1392  
32  
A 68

tax thereon on wheeled vehicles for public hire and for all dogs kept within said city, and to impose a tax upon all other subjects of taxation under the several laws of the state, which shall be uniform with respect to persons and property within the jurisdiction of said city, and shall only be levied on such property, real, personal and mixed on which the state imposes a tax; provided, that no greater levy shall be laid by said council on the taxable property of said city than is permitted to be laid under any state law, relating to municipalities, except as herein provided; and, provided, further, that the council shall in making such levy, be subject to all the provisions of chapter 9 of the acts of the legislature of 1908 and any and all amendments thereto, except as herein provided. (Acts 1921 (Munl. ch.), ch. 30, § 25.)

Editor's note.--The provisions of Acts 1908, chapter 9, are now codified in W. Va. Code, §§ 11-8-9, 11-8-10, 11-8-12, 11-8-14, 11-8-16 to 11-8-18, 11-8-26.

Sec. 99. Authority to acquire and equip various public utilities, parks, buildings, etc., and to issue and sell bonds for such purpose subject to conditions and limitations herein specified.

Editor's note.--There are no sections 26 through 98 of this Charter.

The said City of Williamstown is hereby authorized to purchase, build and equip electric light plants, water works and distribution lines and mains, public parks, playgrounds and municipal buildings and to issue and sell the bonds of said city for that purpose, but in no event shall the aggregate indebtedness of said city, bonded, funded or otherwise, exceed five per centum of the assessed value of the property within said city; and, provided further, that in no event shall any bonds be issued by said city unless and until the question of the issuance thereof shall be submitted to the legal voters thereof and be authorized by a three-fifths vote in favor thereof; and, provided, further, that no bonds shall be issued unless provision be made for sufficient levy to pay the interest and principal thereof as the same shall become due and payable according to the tenor of the said bonds; said bonds may be serial bonds, and no bonds shall be issued for a longer period than thirty years, and the submission and all orders and ordinances in reference thereto shall be under and according to the provisions of chapter 47a of Barnes' Code of West Virginia, 1923, insofar as the same may be applicable. (Added by Acts 1925 (Munl. ch.), ch. 14, § 99.)

Editor's note.--Those provisions of chapter 47a of Barnes' Code of W. Va. which are still in effect are covered by or set out in W. Va. Const., art. X, § 1, and W. Va. Code, § 8-13-23 and ch. 13, art. 3.

**ORDINANCE PROVIDING FOR A SPECIAL MUNICIPAL ELECTION TO  
CONSIDER PROPOSED CHARTER AMENDMENT**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
WILLIAMSTOWN** that in accordance with the provisions of West Virginia Code,  
Chapter 8, Article 4, Section 7, a Special Municipal Election shall be held on the 5<sup>th</sup> day  
of November, 2002, to consider a proposed amendment to Section 4 of the Charter of the  
City of Williamstown.

The proposed amendment to Section 4 of the Charter of the City of Williamstown  
is fully set forth on Exhibit A attached hereto and incorporated herein by reference.

Be it further **ORDAINED** that the language upon the ballot for the Special  
Municipal Election on the 5<sup>th</sup> day of November 2002 shall be as set forth on Exhibit B,  
which is attached hereto and incorporated herein by reference.

  
\_\_\_\_\_  
Mayor

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

**First Reading: August 6, 2002**  
**Second Reading: September 17, 2002**

## EXHIBIT A

THE FOLLOWING IS THE AMENDED SECTION 4 OF THE CHARTER OF THE CITY OF WILLIAMSTOWN TO BE CONSIDERED AT THE SPECIAL MUNICIPAL ELECTION ON THE 5<sup>TH</sup> DAY OF NOVEMBER, 2002.

### Section 4

Mayor and four Councilmen at large constitute City Council; Governing Body; Election Date and Terms of Office; Filling Vacancies.

The governing body of the City shall be a Council composed of a Mayor and four Councilmen who shall be elected at large. The elections shall be held in the City every two years on the second Tuesday in May of each even numbered year. The first election under this section as hereby amended shall be held on the second Tuesday in May in the year 2004.

*In order to achieve the transition from odd numbered to even numbered year elections as provided by this section as hereby amended, the terms of the incumbent Mayor and incumbent Councilmen whose terms were scheduled to expire in June 2003, shall be extended for an additional one year ending on June 30, 2004, and the terms of the incumbent Councilmen whose terms were scheduled to expire in June 2005, shall be extended by one year ending on June 30, 2006.*

*At the election in 2004, a Mayor shall be elected for a term of two years commencing on July 1, 2004, and at all subsequent elections held, there shall be a Mayor to be elected to serve for two years.*

*In the election of 2004, two members of Council shall be elected at large for a term of four years, commencing July 1, 2004. Each such Councilman elected shall serve for a term of four years, and elections shall be held for said Council seats thereafter in four year intervals.*

*Beginning with the election of 2006, two members of Council shall be elected at large for a term of four years commencing July 1, 2006. Each such Councilman elected shall serve for a term of four years and elections shall be held for said Council seats thereafter in four year intervals.*

If any vacancy occurs in any such office, the remaining members of the said Council shall appoint an eligible person to fill such vacancy during the balance of the unexpired term.

EXHIBIT B

Ballot language for the proposed charter amendment shall be as follows:

PROPOSITION TO AMEND THE CHARTER OF THE CITY OF WILLIAMSTOWN

The purpose of the amendment is to revise Section 4 of the Charter of the City of Williamstown by providing that all municipal elections of the City be held on the second Tuesday in May of each even numbered year, commencing with the year 2004. In order to accomplish the transition from odd numbered to even numbered year elections, the current term of the incumbent Mayor and members of City Council shall be extended by one year.

**AN ORDINANCE AMENDING SECTION 5 OF THE CHARTER OF THE  
CITY OF WILLIAMSTOWN**

The Council of the City of Williamstown hereby ordains that Section 5 of the Charter of the City of Williamstown shall be amended pursuant to the provisions of West Virginia Code, Chapter 8, Article 4, Section 8, to reflect the following change:

“Any person desiring to become a candidate for Mayor or Council shall, no later than the third Tuesday in February prior to said election, file with the City Clerk a statement of such candidacy in substantially the following form.”

Be it further **ORDAINED** that upon adoption of this ordinance upon first reading that the same shall be considered on second reading at the regular meeting of City Council on the 6<sup>th</sup> day of January, 2004, at which time a public hearing shall be held in the Chambers of City Council on said date commencing at 7:30 p.m., or as soon thereafter as the same may be heard.

Said proposed amendment, together with a notice of the date, time, and place affixed for the hearing, is to be published as a Class II-0 legal advertisement in accordance with the provisions of Article 3, Chapter 59, of the West Virginia Code, and which said notice shall state that the proposed amendment will be considered on the date and time herein specified, and that any qualified voter or any freeholder of the city may appear and file objections, in writing, and also that if no objections are filed, said amendment shall become operative on and after the 19<sup>th</sup> day of January, 2004.

First Reading: December 2, 2003  
Second Reading: January 6, 2004

  
\_\_\_\_\_  
Mayor

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

AN ORDINANCE AMENDING SECTION 10 OF THE CHARTER OF THE  
CITY OF WILLIAMSTOWN

Be it ordained by the Council of the City of Williamstown that in accordance with the provisions of West Virginia Code Chapter 8, Article 4, Section 8, that Section 10 of the Charter of the City of Williamstown be amended as follows:

"Section 10 - Office or Offices for Mayor and Council: Compensation of Mayor, Councilmen and all other Officers and Employees, and how paid.

The Mayor and Council shall have an office or offices and their total compensation shall be as follows: the annual salary of the Mayor, *effective for the term of the Mayor commencing July 1, 2004, shall be \$2,000.00, and the annual salary of each Councilman, effective from and after July 1, 2004, shall be \$1,000.00*, which salaries shall be payable in equal quarterly installments.

*The salaries of Mayor and Councilmen may be increased by Ordinance duly adopted by City Council, after giving notice of a public hearing prior to the adoption of same, provided that the compensation of the Mayor may not be increased during his or her term of office, nor shall the salary of any member of City Council be increased during his or her term of office, unless significant additional duties are imposed upon such member of Council by ordinance.*

Every other officer or assistant shall receive such salary or compensation as the Council shall by ordinance provide, payable in equal monthly installments.

The salary and compensation of all other employees of said City shall be fixed by Council, and shall be payable monthly or at such shorter period as Council may determine."

The Council hereby further ordains that certain duties have and are hereby imposed upon

Councilman Marty Seufer and Ron Erb, who are currently within their terms of office.

Specifically, additional duties have and are hereby imposed upon Councilman Seufer to include assuming the extra duties of training city employees in the use of CAD for mapping of water lines, updating the city's computers, and additional training for city employees on the computers.

Additional duties have been and are hereby imposed upon Councilman, Ron Erb, which shall include extra duties being responsible for reviewing requirements of the new storm water management system, reporting to and making recommendations to Council on the changes and requirements of the storm management water system, and scheduling the training of city employees for the storm water management system.

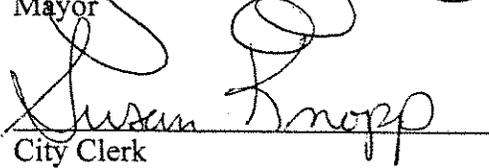
Be it further ordained that the Council of the City of Williamstown hereby declares and determines that the additional duties imposed upon Councilmen Seufer and Erb respectively, require significant additional responsibility such that an increase in compensation during their terms of office as authorized in the above referenced charter amendment are proper in accordance with previous decisions of the West Virginia Supreme Court of Appeals interpreting Article 6, Section 38, of the Constitution of West Virginia.

Be it further ordained, that upon adoption of this ordinance on first reading, the City Clerk is hereby authorized and directed to publish a notice for a public hearing upon the proposed amendment to the charter as herein set forth to be conducted at the regular meeting of City Council on the 6th day of July 2004, at 7:30 p.m., at which time this ordinance shall be considered upon second reading, all in

accordance with the provisions of West Virginia Code, Chapter 8, Article 4, Section 8.

First Reading: June 1, 2004  
Second Reading: July 6, 2004

  
\_\_\_\_\_  
Mayor

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



**OATH OF OFFICE**

**I, Paul Jordan,**

do hereby solemnly swear

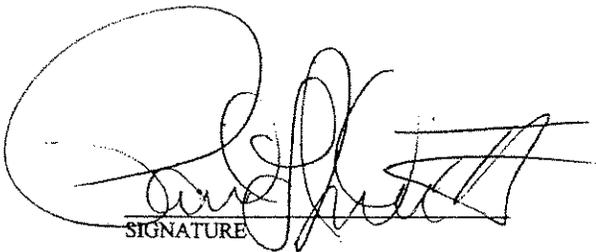
to support the Constitution of the United States of America,

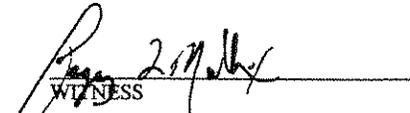
and the Constitution, of the State of West Virginia,

and perform the duties of Councilperson

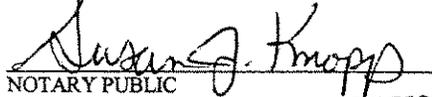
for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

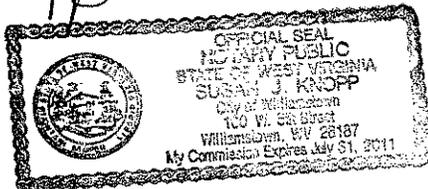
  
SIGNATURE

  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 6 DAY OF July, 2004.

  
NOTARY PUBLIC

July 31, 2011  
MY COMMISSION EXPIRES:



**OATH OF OFFICE**

**I, David Morris,**

do hereby solemnly swear

to support the Constitution of the United States of America,

and the Constitution, of the State of West Virginia,

and perform the duties of Councilperson

for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

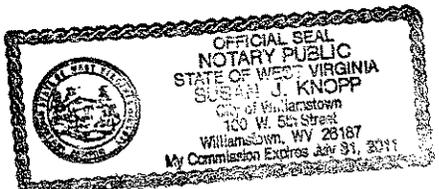
David Morris  
SIGNATURE

Regina L. Muller  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 6 DAY OF July, 2004.

Susan J. Knopp  
NOTARY PUBLIC

July 31 2008  
MY COMMISSION EXPIRES:



**OATH OF OFFICE**

**I, Jean Ford,**

do hereby solemnly swear

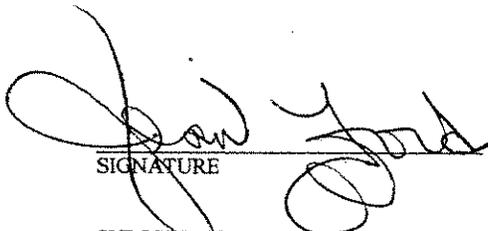
to support the Constitution of the United States of America,

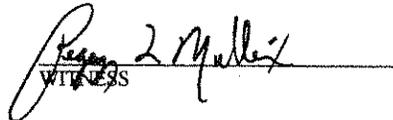
and the Constitution, of the State of West Virginia,

and perform the duties of Mayor

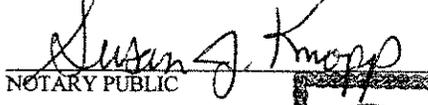
for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

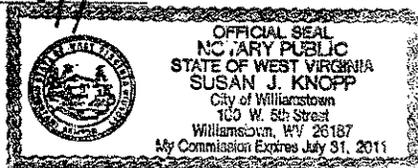
  
SIGNATURE

  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 6 DAY OF July 2004

  
NOTARY PUBLIC

July 31, 2011  
MY COMMISSION EXPIRES:



# OATH OF OFFICE

I, Susan Knopp,

do hereby solemnly swear

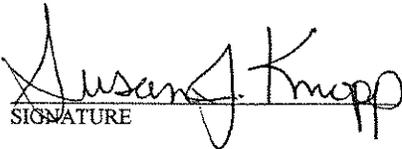
to support the Constitution of the United States of America,

and the Constitution, of the State of West Virginia,

and perform the duties of City Clerk

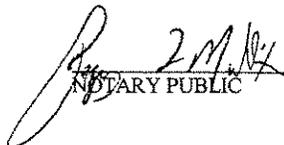
for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

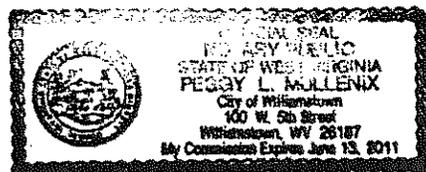
  
SIGNATURE

  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 18<sup>th</sup> DAY OF January, 2005.

  
NOTARY PUBLIC

06-13-2011  
MY COMMISSION EXPIRES:



City Hall  
100 West Fifth Street



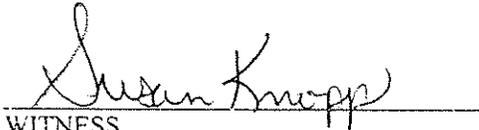
Phone  
(304) 375-7761

WILLIAMSTOWN, WEST VIRGINIA  
26187-1597

OATH OF OFFICE

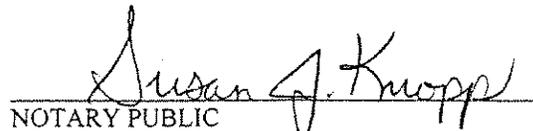
I, RON ERB,  
DO HEREBY SOLEMNLY SWEAR,  
TO SUPPORT THE CONSTITUTION,  
OF THE UNITED STATES OF AMERICA,  
AND THE CONSTITUTION,  
OF THE STATE OF WEST VIRGINIA,  
AND PERFORM THE DUTIES OF COUNCILPERSON,  
FOR THE CITY OF WILLIAMSTOWN, WEST VIRGINIA,  
TO THE BEST OF MY ABILITY, SO HELP ME GOD.

  
SIGNATURE

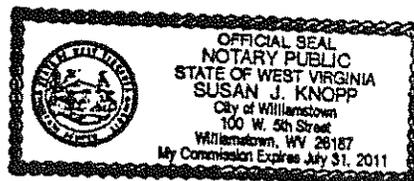
  
WITNESS

STATE OF WEST VIRGINIA:  
COUNTY OF WOOD:

SUBSCRIBED AND SWORN BEFORE ME BY Ronald Erb THIS 18 DAY OF  
June, 2001

  
NOTARY PUBLIC

MY COMMISSION EXPIRES: July 31, 2011



City Hall  
100 West Fifth Street

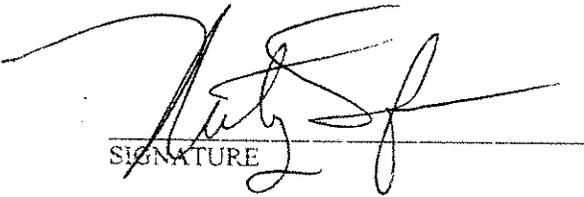


Phone  
(304) 375-7761

WILLIAMSTOWN, WEST VIRGINIA  
26187-1597

OATH OF OFFICE

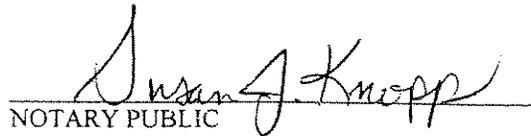
I, MARTY SEUFER,  
DO HEREBY SOLEMNLY SWEAR,  
TO SUPPORT THE CONSTITUTION,  
OF THE UNITED STATES OF AMERICA,  
AND THE CONSTITUTION,  
OF THE STATE OF WEST VIRGINIA,  
AND PERFORM THE DUTIES OF COUNCILPERSON,  
FOR THE CITY OF WILLIAMSTOWN, WEST VIRGINIA,  
TO THE BEST OF MY ABILITY, SO HELP ME GOD.

  
SIGNATURE

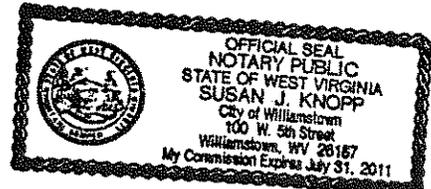
  
WITNESS

STATE OF WEST VIRGINIA:  
COUNTY OF WOOD:

SUBSCRIBED AND SWORN BEFORE ME BY Marty Seufer THIS 18 DAY OF  
June, 2001.

  
NOTARY PUBLIC

MY COMMISSION EXPIRES: July 31, 2011





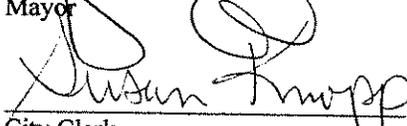
**AN ORDINANCE AMENDING ARTICLE IV OF THE CODIFIED  
ORDINANCES OF THE CITY OF WILLIAMSTOWN RELATING TO  
MEMBERS OF THE SANITARY BOARD**

Be it Ordained by the Council of the City of Williamstown that Article V, Section 19-15 of the Codified Ordinances of the City be amended and re-enacted as follows:

Section 19-15. Created; composition: appointment and terms of members.

There is hereby created the Sanitary Board of the City, which shall be composed of the Mayor and *four* persons appointed by the City Council, one of whom must be a registered professional engineer. The engineer member of the Board need not be a resident of the City. *Members of the Board who were appointees at the time of the adoption of this amendment shall continue to serve for terms of three years from the date of their appointment, and appointment of successors shall be made in the like manner for terms of three years. The two additional members appointed subsequent to the adoption of this amendment shall serve for initial terms of two years, and upon the expiration of such terms, appointment of successors shall be made in like manner for terms of three years.* Vacancies shall be filled for an unexpired term in the same manner as the original appointment.

First Reading: March 2, 2004  
Second Reading: March 16, 2004

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

THE CITY OF WILLIAMSTOWN

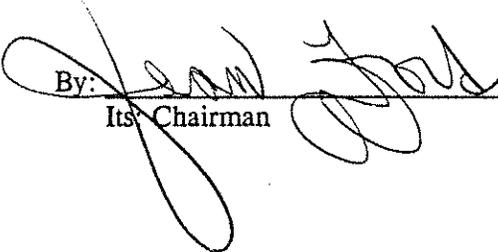
Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Williamstown (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$400,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 19th day of April, 2005.

SANITARY BOARD OF THE CITY OF WILLIAMSTOWN

By:   
Its Chairman

04/12/05  
976720.00002

CH491652.1

BYLAWS AND RULES OF PROCEDURE  
CITY OF WILLIAMSTOWN SANITARY BOARD

ARTICLE I

NAME, PLACE OF BUSINESS AND FISCAL YEAR

Section 1. Name: CITY OF WILLIAMSTOWN SANITARY BOARD

Section 2. The principal office of the City of Williamstown Sanitary Board will be located at the City Hall, 100 West Fifth Street, Williamstown, West Virginia 26187.

Section 3. The fiscal year of the City of Williamstown Sanitary Board shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

The City of Williamstown Sanitary Board is organized exclusively for the purposes set forth in Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Sanitary Board shall be composed of the Mayor and four persons appointed by the governing body pursuant to the Act, who shall serve for such terms as specified in the Act.

Section 2. Should any member of the Sanitary Board resign or otherwise become legally disqualified to serve as a member of the Sanitary Board, the Sanitary Board shall appoint a qualified person to fill such vacancy for the unexpired term thereof in the same manner as the original appointment, and as further prescribed under the Act.

ARTICLE IV

MEETINGS OF THE SANITARY BOARD

Section 1. The members of the Sanitary Board shall hold regular meetings on the third Tuesday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Sanitary Board may be called at any time by the Chairman or by a quorum of the Sanitary Board. All meetings shall be open to the public and news media.

Section 2. At any meeting of the Sanitary Board, three members shall constitute a quorum. Each member of the Sanitary Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purpose or

purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

#### PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of the Sanitary Board, and the date, time, place and purpose of all special meetings of the Sanitary Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Sanitary Board at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by the Sanitary Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for such regularly scheduled meeting shall be posted at the same locations by the Secretary of the Sanitary Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Sanitary Board at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

#### ARTICLE V

##### OFFICERS

Section 1. The officers of the Sanitary Board shall be a Chairman, a Vice-Chairman, a Secretary and a Treasurer. The Chairman shall be the Mayor. The Vice-Chairman shall be elected from the members of the Sanitary Board. The Secretary and Treasurer need not be members of the Sanitary Board, and may be the same person.

Section 2. The Vice-Chairman, Secretary and Treasurer of the Sanitary Board shall hold office as such at the will of the Sanitary Board. Any vacancy occurring among the officers shall be filled by the members of the Sanitary Board at a regular or special meeting in the same manner as the original appointment.

#### ARTICLE VI

##### DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Sanitary Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Sanitary Board and exercise such powers as may be conferred by the Sanitary Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Sanitary Board when and if directed by the members of the Sanitary Board.

Section 2. The Secretary shall keep a record of all proceedings of the Sanitary Board, which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meeting at which he or she is present. The Secretary shall have charge of the minute book, be custodian of the Common Seal of the Sanitary Board and all deeds and other writings and papers of the Sanitary Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Sanitary Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the Sanitary Board and shall disburse funds of the Sanitary Board on orders authorized or approved by the Sanitary Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers of all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Sanitary board as the members may from time to time prescribe. He or she shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Sanitary Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman is absent from any meeting, the Vice-Chairman shall act as Chairman and shall have all the powers of the Chairman during such period of absence. If the Secretary or Treasurer if absent from any meeting, the remaining members of the Sanitary Board shall select a temporary secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

## ARTICLE VII

### AMENDMENTS TO BYLAWS AND RULES OF PROCEDURE

These Bylaws and Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Sanitary Board by a majority vote of the entire Sanitary board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Bylaws and Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the Sanitary Board. In the event of a conflict between these Bylaws and Rules of Procedure and any provisions of the Charter, such Charter provisions shall prevail.

Adopted this 19<sup>th</sup> day of April, 2005.

A handwritten signature in black ink, appearing to read "Sean Ford". The signature is written in a cursive style with a large, looping initial "S".

# OATH OF OFFICE

I, Jeff DePuy,

do hereby solemnly swear

to support the Constitution of the United States of America,

and the Constitution, of the State of West Virginia,

and perform the duties of Sanitary Board Member

for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

SIGNATURE

*Jeffery E. DePuy*

WITNESS

*Sean Ford*

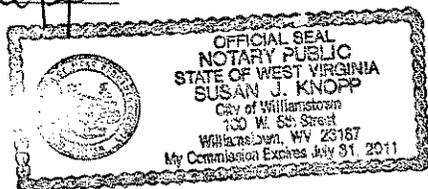
SUBSCRIBED AND SWORN BEFORE ME THIS 18 DAY OF JANUARY 2005.

NOTARY PUBLIC

*Susan J. Knopp*

MY COMMISSION EXPIRES:

July 31 2011



**OATH OF OFFICE**

I, Charlie Meyers,

do hereby solemnly swear

to support the Constitution of the United States of America,

and the Constitution, of the State of West Virginia,

and perform the duties of Sanitary Board Member

for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

*Charlie Meyers*  
SIGNATURE

*Jean Ford*  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 18 DAY OF January, 2005

*Susan J. Knopp*  
NOTARY PUBLIC

July 31, 2011  
MY COMMISSION EXPIRES:



**OATH OF OFFICE**

I, Robert Palmer,

do hereby solemnly swear

to support the Constitution of the United States of America,

and the Constitution, of the State of West Virginia,

and perform the duties of Sanitary Board Member

for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

Robert B. Palmer

SIGNATURE

Sean Ford

WITNESS

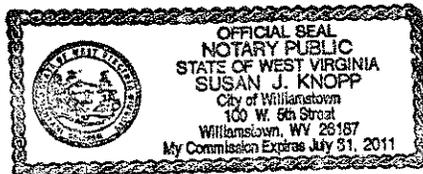
SUBSCRIBED AND SWORN BEFORE ME THIS 18 DAY OF Jan., 2005.

Susan J. Knopp

NOTARY PUBLIC

July 31 2011

MY COMMISSION EXPIRES:



**OATH OF OFFICE**

I, Chip Pickering,

do hereby solemnly swear

to support the Constitution of the United States of America,

and the Constitution, of the State of West Virginia,

and perform the duties of Sanitary Board Member

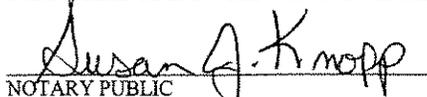
for the City of Williamstown, West Virginia

to the best of my ability, so help me God.

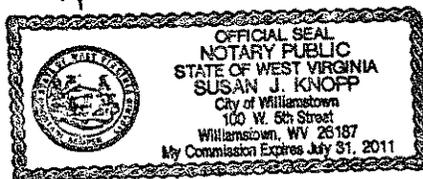
  
SIGNATURE

  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 18 DAY OF January, 2005.

  
NOTARY PUBLIC

July 31, 2011  
MY COMMISSION EXPIRES:





THE CITY OF WILLIAMSTOWN

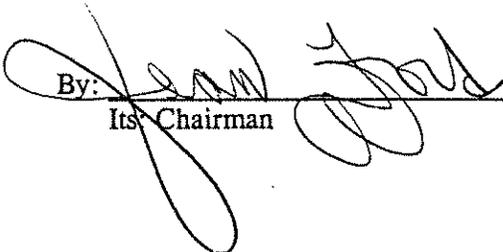
Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Williamstown (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$400,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 19th day of April, 2005.

SANITARY BOARD OF THE CITY OF WILLIAMSTOWN

By:   
Its Chairman

04/12/05  
976720.00002

CH491652.1



**AN ORDINANCE INCREASING SEWER RATES  
FOR THE CITY OF WILLIAMSTOWN**

WHEREAS, since the last increase in sewer rates for the City of Williamstown, the cost of operating and maintaining the sewer system has substantially increased, including the cost of property and liability insurance and an upgrade project for the construction and installation of an "ultra violet light disinfection system." It is therefore necessary to raise the rates and charges to more adequately reflect the cost of supplying and maintaining sewer service.

Now therefore be it **ORDAINED** by the Council of the City of Williamstown that the present sewer rates and charges shall be increased by two percent. The increase shall go into effect on the first day of the first month following completion of the "project" known as the "ultra violet light disinfection system."

First Reading: December 7, 2004  
Public Hearing: December 21, 2004  
Final Reading: December 21, 2004

  
\_\_\_\_\_  
Jean Fort, Mayor

  
\_\_\_\_\_  
Susan Knopp, City Clerk

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CITY OF WILLIAMSTOWN, a municipal utility  
OF  
WILLIAMSTOWN, WEST VIRGINIA  
RATES, RULES AND REGULATIONS FOR FURNISHING  
SEWERAGE AND SEWAGE DISPOSAL SERVICE  
at Williamstown, Wood County, West Virginia  
Filed with THE PUBLIC SERVICE COMMISSION  
of  
WEST VIRGINIA

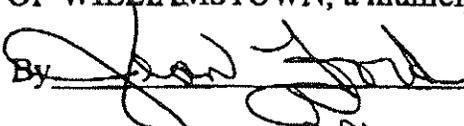
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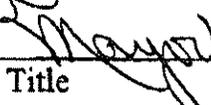
Issued January 26, 2005      Effective for service rendered on or after the first day of the  
first month following completion of the ultra violet light disinfection system

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Adopted by City Council

Issued by CITY OF WILLIAMSTOWN, a municipal utility

By 

  
Title

RULES AND REGULATIONS

- I. Rules and Regulations for the Government of Sewerage Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for sanitary sewer service

(I) RATE

First	2,000 gallons used per month	\$11.64 per month
Next	3,000 gallons used per month	\$ 5.82 per 1,000 gallons
Next	20,000 gallons used per month	\$ 4.52 per 1,000 gallons
Next	75,000 gallons used per month	\$ 3.90 per 1,000 gallons
Next	100,000 gallons used per month	\$ 3.20 per 1,000 gallons
All Over	200,000 gallons used per month	\$ 2.60 per 1,000 gallons

(I) MINIMUM CHARGE

\$11.64

(I) CONNECTION FEE

\$378.97

DELAYED PAYMENT PENALTY

The above rates are net. On all accounts not paid in full within twenty (20) days of the billing date, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to only be collected once for each bill where it is appropriate.

(I) Indicates increase



SHERRY L. BRUNETT

Being first duly sworn, says that the

"Final Vote Hearing Notice - Proposed Sewer  
Rate Increase Ordinance"

Hereto attached was printed in the

XX  
.....Parkersburg News,

.....The Marietta AM,

.....The Parkersburg Sentinel,

A daily newspaper published in the City of Parkersburg,

Wood County, West Virginia, for .....TWO..... successive

weeks, the first publication and posting thereon being on

the .....10th..... day of December 2004, and

subsequent publication on the .....17th.....

day (s) of December 2004..

Printer's Fee \$..45.57...

Notarized Signature \$....2.00....

Additional Copy Fee \$.....

Total Due: \$..47.57...

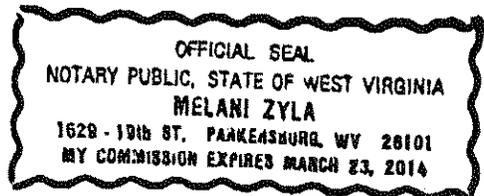
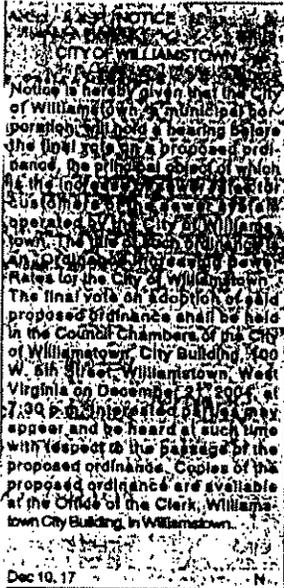
By:.....  
*Sherry L. Brunett*

Subscribed and sworn to before me this

.....17th..... day of December 2004.

.....  
*Melani Zyla*  
Notary Public for Wood County, West Virginia

My commission expires .....3-23-14.....





WILLIAMSTOWN CITY COUNCIL  
REGULAR MEETING  
DECEMBER 21, 2004

The Williamstown City Council met in regular session on Tuesday, December 21, 2004, at 7:30 PM. Those in attendance were Councilpersons Marty Seufer, Paul Jordan, David Morris and Ron Erb, City Attorney Blaine Myers, and City Clerk/Treasurer Susan Knopp. Mayor Jean Ford was absent.

Councilman Seufer called the meeting to order and led Council in the Pledge of Allegiance.

On a motion by Jordan and second by Morris to approve and dispense with the reading of the minutes of the previous meeting, all voted yes.

On a motion by Erb and second by Morris to approve the current bills for payment, all voted yes.

Councilman Seufer opened up the public hearing for the 2% sewer rate increase. There were no questions or comments and the public hearing was closed.

On a motion by Morris and second by Erb to approve an ordinance for a 2% sewer rate increase on second reading, all voted yes.

Councilman Morris stated the Planning Commission met with Jeff Martin on December 20<sup>th</sup>. The Planning Commission voted to approve a lot division of a parcel of land owned by Martin Land Co. adjacent to Painters Crossing.

Jeff Martin was present and showed Council a drawing of the lot division.

On a motion by Jordan and second by Morris to accept the Planning Commission's recommendation and approve the lot division, all voted yes.

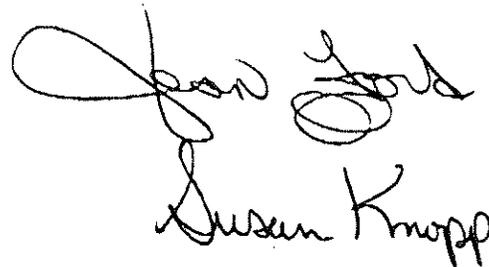
Councilman Jordan said he was working on the Tree City USA application.

On a motion by Erb and second by Morris to add Bradley Dimit to the Tree Commission, all voted yes.

Jim Crawford, 120 4-1/2 Street, addressed Council about someone setting beaver traps on his property. He felt this was dangerous and thought it should be illegal to trap in the city limits.

After some discussion, Council asked Atty. Myers to draft an ordinance prohibiting trapping unless you have permission from the chief of police.

The meeting was adjourned at 7:50 PM.



Handwritten signatures of Jean Ford and Susan Knopp.



SHERRY L. BRUNETT

Being first duly sworn, says that the

"Public Hearing Notice on City of

Williamstown Bond Ordinance"

Hereto attached was printed in the

XX

.....Parkersburg News,

.....The Marietta AM,

.....The Parkersburg Sentinel,

A daily newspaper published in the City of Parkersburg,

Wood County, West Virginia, for TWO successive

weeks, the first publication and posting thereon being on

the 20th day of May 2005, and

subsequent publication on the 27th

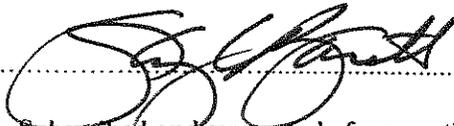
day (s) of May 2005.

Printer's Fee \$ 182.28

Notarized Signature \$ 2.00

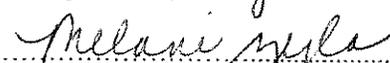
Additional Copy Fee \$ .....

Total Due: \$ 184.28

By: 

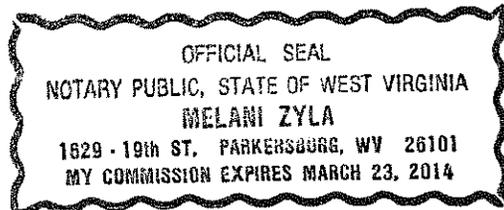
Subscribed and sworn to before me this

27th day of May 2005.



Notary Public for Wood County, West Virginia

My commission expires 3-23-14



NOTICE OF PUBLIC HEARING ON  
THE CITY OF WILLIAMSTOWN BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of The City of Williamstown (the "City") to be held on Tuesday, May 31, 2005, at 7:30 p.m. in the Council Chambers at the City Hall, 100 West Fifth Street, Williamstown, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERE-TO.

The above-entitled Ordinance was approved by the Council on May 17, 2005.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of acquisition and construction of betterments, additions and improvements to the sewerage system of the City and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

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

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

Dated: May 17, 2005

/s/ Susan Knopp  
Clerk

May 20, 27

N



THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

MINUTES ON ENACTMENT  
OF BOND RESOLUTION AND ADOPTION OF SUPPLEMENTAL RESOLUTION

The undersigned Clerk of The City of Williamstown (the "City") hereby certifies that the following is a true and correct minutes of a special meeting of the said City:

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The Council of the City met in special session, pursuant to notice duly posted, on the 31st day of May, 2005, in Williamstown, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Jean Ford	-	Mayor
	Susan Knopp	-	City Clerk
	Marty Seufer	-	Councilmember
	Ron Erb	-	Councilmember
	David Morris	-	Councilmember

ABSENT:	Paul Jordan	-	Councilmember
---------	-------------	---	---------------

Jean Ford, Mayor, presided, and Susan Knopp, acted as City Clerk. 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 stated that the proposed Bond Ordinance heretofore passed on first and second readings 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 the Mayor caused the said Bond Ordinance to be read as follows:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Mr. Seufer and seconded by Mr. Morris, it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

The Mayor then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF WILLIAMSTOWN; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

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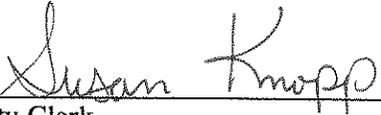
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There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

CERTIFICATION

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

WITNESS my signature on this 2nd day of June, 2005.

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

05/19/05  
976720.00002

WILLIAMSTOWN CITY COUNCIL  
REGULAR MEETING  
MAY 17, 2005

The Williamstown City Council met in regular session on Tuesday, May 17, 2005, at 7:30 PM. Those in attendance were Mayor Jean Ford, Councilpersons Marty Seufer, Paul Jordan, David Morris and Ron Erb, City Attorney Blaine Myers, and City Clerk/Treasurer Susan Knopp.

Mayor Ford called the meeting to order and Boy Scout Troop #215 led Council in the Pledge of Allegiance.

On a motion by Erb and second by Morris to approve and dispense with the reading of the minutes of the previous meeting, all voted yes.

On a motion by Morris and second by Erb to approve the current bills for payment, all voted yes.

On a motion by Seufer and second by Jordan to approve the second reading of the proposed bond ordinance for improvements to the wastewater treatment plant, all voted yes.

Tim Meeks from the Mid Ohio Valley Regional Council presented the first draw down for the UV Project at the wastewater treatment plant. The first draw must be 5% of the total project, which is \$11,514.00. The draw includes an invoice for Steptoe & Johnson, PLLC as bond counsel for \$9,000.00 and the rest is for construction.

On a motion by Seufer and second by Jordan to approve the draw down, all voted yes. Council added the seven- percent rate increase for the project would now take affect.

On a motion by Erb and second by Seufer to adopt a resolution for the Parkersburg/Wood County Home Consortium Annual Consolidated Plan for 2005-2006, all voted yes.

Libby Butler representing the Williamstown Woman's Club stated the Club would like to purchase eight snowflake lights to be used between Anderson's and the Welcome Center. She said they called the electric company and everything is okay for the wiring, they just need an okay from City Council.

Council approved the lights to be purchased by the Woman's Club.

On a motion by Morris and second by Jordan to reappoint Mary Lee Neal to the Planning Commission, all voted yes.

Bids were opened for paving the parking lot at Fenton Park. There were three bids: Carl Kelly Paving \$11,700.00, Blacktop Contracting \$14,900.00, and WV Paving \$13,654.00. On a motion by Jordan and second by Seufer to accept the bid from Carl Kelly Paving for \$11,700.00, all voted yes.

On a motion by Seufer and second by Jordan to adopt the final budget revision for the 2005 fiscal year general and coal severance fund budgets, all voted yes.

There will be a special Council meeting on May 31<sup>st</sup> at 7:30 PM for the third and final reading for the bond ordinance and to sign documents needed for bond closing.

Councilman Seufer reported on the Park Committee meeting held last Tuesday. The Committee reviewed the bids for the trees in Fenton Park and recommended Council approve the bid from Greenleaf Landscaping for \$4,800.00.

5/17/05

On a motion by Erb and second by Morris to approve the bid of \$4,800.00 from Greenleaf Landscaping for the trees in Fenton Park, all voted yes.

Councilman Seufer asked for approval to bid out a lighting project at the boat ramp.

On a motion by Jordan and second by Erb to put the boat ramp lighting project out for bids, all voted yes.

Councilman Seufer stated that Community Association President Brian Fulton and Lawrence Hasbargen from Wood County Schools were present at the Park Committee meeting to discuss the pool. Councilman Seufer stated the City doesn't own the pool, but if Williamstown is going to have a new pool the City may have to get involved. The Community Association decided to close the pool and the school will be built over top of the current pool, which is on Board of Education property. The Board owns property across from the pool, which they are willing to give to the community so a new pool can be built.

Lois Fenton, 111 E. 9<sup>th</sup> Street, stated that she felt enough families in town use the pool that they should work towards a new pool.

Councilman Jordan announced Williamstown was awarded Tree City USA for the 21<sup>st</sup> straight year and is the longest running Tree City in the State of West Virginia. He said they received a tree from the DNR and it will be the first tree planted in Fenton Park.

Councilman Morris announced there would be a Planning Commission meeting on May 26<sup>th</sup> at 7:00 PM concerning the train depot.

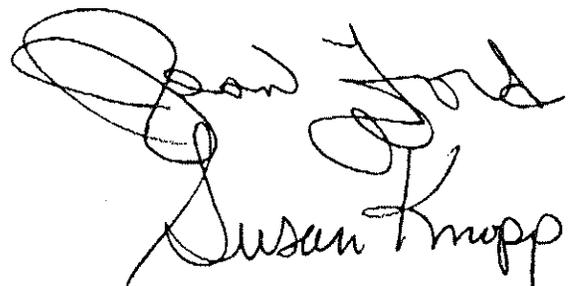
Dolly Palmer, Cherry Ave., said something needed to get started on a pool.

Councilman Jordan said the area is going to be a construction zone for the next three years anyway. He said it is up to the Community Association. The City will work with the Community Association.

Councilman Seufer said the Community Association would need to appoint a committee.

George Fenton stated the City might need to provide technical maintenance support for a new pool.

After some discussion, the meeting adjourned at 8:00 PM.



Handwritten signatures of Jean Ford and Susan Knapp.



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

NEW ISSUE REPORT FORM

Date of Report: June 2, 2005

(See Reverse for Instructions)

ISSUE: The City of Williamstown Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program)

ADDRESS: 100 West Fifth Street, Williamstown, West Virginia 26187 COUNTY: Wood

PURPOSE OF ISSUE: New Money: X  
Refunding: \_\_\_\_\_

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: June 2, 2005

CLOSING DATE: June 2, 2005

ISSUE AMOUNT: \$230,282

RATE: 2%; Administrative Fee 1%

1ST DEBT SERVICE DUE: June 1, 2006

1ST PRINCIPAL DUE: June 1, 2006

1ST DEBT SERVICE AMOUNT: \$ 3,499.41

PAYING AGENT: Municipal Bond Commission

**BOND**

COUNSEL: Stephoe & Johnson PLLC  
Contact Person: John C. Stump, Esquire  
Phone: (304) 353-8196

**UNDERWRITERS**

COUNSEL: Jackson Kelly PLLC  
Contact Person: Samme L. Gee, Esquire  
Phone: (304) 340-1318

CLOSING BANK: Williamstown National Bank  
Contact Person: Barbara Lewis  
Phone: (304) 375-6262

ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

**KNOWLEDGEABLE ISSUER CONTACT**

Contact Person: Susan Knopp  
Position: City Clerk  
Phone: (304) 375-7761

**OTHER:**

West Virginia Department of Environmental Protection  
Contact Person: Rosalie Brodersen  
Function: Program Manager  
Phone: (304) 926-0499, ext. 1608

DEPOSITS TO MBC AT CLOSE: \_\_\_\_\_  
By: \_\_\_\_\_ Wire \_\_\_\_\_ Accrued Interest: \$ \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_ Capitalized Interest: \$ \_\_\_\_\_  
\_\_\_\_\_ Reserve Account: \$ \_\_\_\_\_  
\_\_\_\_\_ Other: \$ \_\_\_\_\_

**REFUNDS & TRANSFERS BY MBC AT CLOSE**

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

NOTES: The Series 2005 A Bonds Reserve Account will be funded over 10 years.

**FOR MUNICIPAL BOND COMMISSION USE ONLY:**

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

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

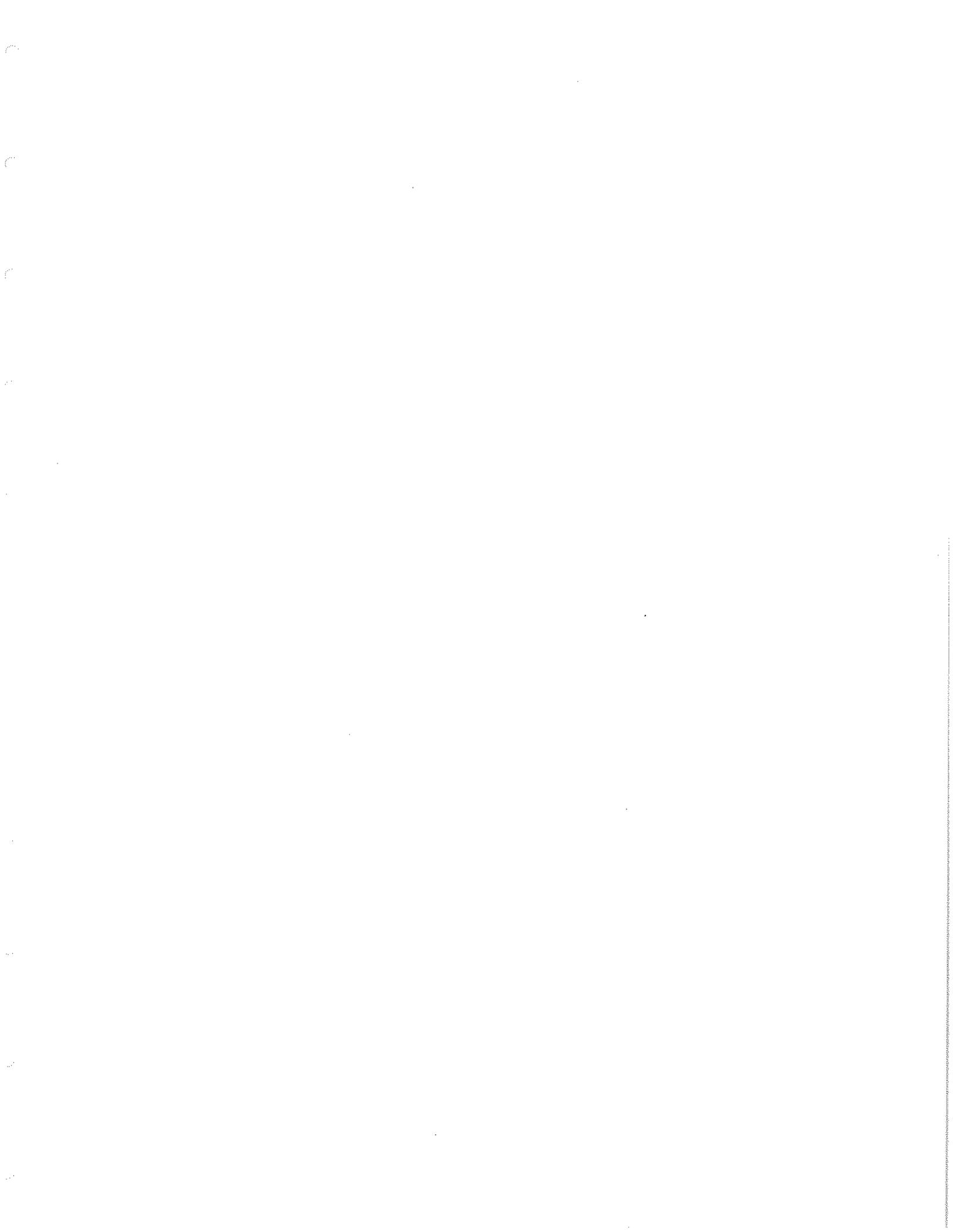
1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

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

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

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

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



Form **8038-G**  
 (Rev. November 2000)  
 Department of the Treasury  
 Internal Revenue Service

## Information Return for Tax-Exempt Governmental Obligations

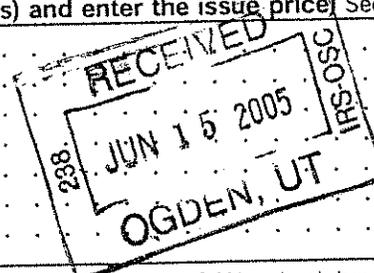
Under Internal Revenue Code section 149(e)  
 See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>The City of Williamstown</b>	2 Issuer's employer identification number <b>55 6000276</b>	Room/suite	4 Report number <b>3 - 1</b>
3 Number and street (or P.O. box if mail is not delivered to street address) <b>100 West Fifth Street</b>	5 City, town, or post office, state, and ZIP code <b>Williamstown, West Virginia 26187</b>	6 Date of issue <b>June 2, 2005</b>	8 CUSIP number <b>N/A</b>
7 Name of issue <b>Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program)</b>	9 Name and title of officer or legal representative whom the IRS may call for more information <b>Susan Knopp, City Clerk</b>	10 Telephone number of officer or legal representative <b>( 304 ) 375.7761</b>	

<b>Part II Type of Issue (check applicable box(es) and enter the issue price)</b>		See instructions and attach schedule	
11 <input type="checkbox"/> Education	11		
12 <input type="checkbox"/> Health and hospital	12		
13 <input type="checkbox"/> Transportation	13		
14 <input type="checkbox"/> Public safety	14		
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	15		<b>230,282</b>
16 <input type="checkbox"/> Housing	16		
17 <input type="checkbox"/> Utilities	17		
18 <input type="checkbox"/> Other. Describe	18		
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			



<b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b>				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 March 1, 2026	\$ 230,282	\$ 230,282	11.535 years	2.0064917 %

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>		22	-0-
22 Proceeds used for accrued interest		23	230,282
23 Issue price of entire issue (enter amount from line 21, column (b))		24	9,000
24 Proceeds used for bond issuance costs (including underwriters' discount)		25	-0-
25 Proceeds used for credit enhancement		26	-0-
26 Proceeds allocated to reasonably required reserve or replacement fund		27	-0-
27 Proceeds used to currently refund prior issues		28	-0-
28 Proceeds used to advance refund prior issues		29	9,000
29 Total (add lines 24 through 28)		30	221,282
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			

<b>Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)</b>			
31 Enter the remaining weighted average maturity of the bonds to be currently refunded			N/A years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded			N/A years
33 Enter the last date on which the refunded bonds will be called			N/A
34 Enter the date(s) the refunded bonds were issued			

<b>Part VI Miscellaneous</b>		35	-0-
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)		36a	-0-
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)		37a	-0-
b Enter the final maturity date of the guaranteed investment contract			
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units			
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer			
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input checked="" type="checkbox"/>			
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>			
40 If the issuer has identified a hedge, check box <input type="checkbox"/>			

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

Sign Here: Jean Ford Date: 6-2-05 Jean Ford, Mayor  
 Signature of issuer's authorized representative Type or print name and title



THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

THE WILLIAMSTOWN NATIONAL BANK, Williamstown, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Williamstown (the "Issuer") enacted by the Issuer on May 31, 2005, and a Supplemental Resolution adopted by the Issuer on May 31, 2005 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated June 2, 2005, issued in the original aggregate principal amount of \$230,282 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 2nd day of June, 2005.

THE WILLIAMSTOWN NATIONAL BANK

By: Barbara A. Lewis  
Its: Authorized Officer

*Barbara A. Lewis*  
*Sr. Vice Pres.*

05/04/05  
976720.00002





THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 2nd day of June, 2005, by and between THE CITY OF WILLIAMSTOWN, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$230,282 Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted May 31, 2005, and a Supplemental Resolution of the Issuer duly adopted May 31, 2005 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

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

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds

upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

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

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

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

ISSUER:           The City of Williamstown  
                      100 West Fifth Street  
                      Williamstown, West Virginia 26187  
                      Attention: Mayor

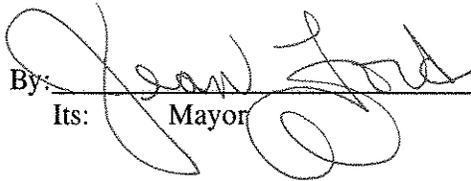
REGISTRAR:       The Huntington National Bank  
                      One Huntington Square  
                      Charleston, West Virginia 25301  
                      Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

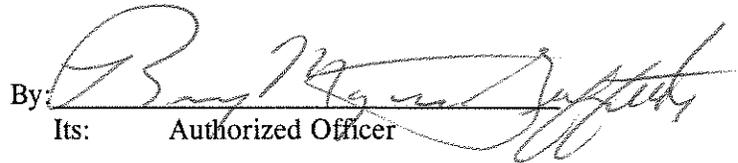
9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF WILLIAMSTOWN

By:   
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

05/19/05  
976720.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

Private Financial Group  
P.O. Box 633 WE3013  
Charleston, West Virginia 25322-0633



STATEMENT OF TRUSTEE'S FEES  
Invoice Date June 2, 2005

**The City of Williamstown**  
**Account Number 6089001809**

The City of Williamstown  
Sewer Revenue Bonds, Series 2005 A  
C/O John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

\*\*\*\*\*  
FEE CALCULATION FOR June, 2005  
\*\*\*\*\*

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

- \* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT \*
- \* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN \*
- \* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: DEBRA .. \*
- \* .. BOWDEN, PO BOX 633, CHARLESTON, WV 25322-0633 .. \*

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
Barry Morgan Griffith at (304)348-5035





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west virginia department of environmental protection

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Division of Water and Waste Management  
601 57<sup>th</sup> Street SE  
Charleston, WV 25304  
Telephone Number: (304) 926-0495  
Fax Number: (304) 926-0496

Bob Wise, Governor  
Stephanie R. Timmermeyer, Cabinet Secretary  
www.wvdep.org

December 8, 2004

Honorable Jean Ford  
Mayor, City of Williamstown  
100 West 5<sup>th</sup> Street  
Williamstown, WV 26187

Re: WV/NPDES Permit WV0022071  
Modification No.2 - Wood County

Dear Mayor Ford:

This correspondence serves as Modification No. 2 of your existing WV/NPDES Water Pollution Control Permit No. WV0022071 issued the 10<sup>th</sup> day of December 2002.

After review and consideration of the information submitted on and with WV/NPDES Water Pollution Control Permit Application No. WV0022071-B, dated the 2<sup>nd</sup> day of February 2004, and additional requested information provided on the 14<sup>th</sup> day of June 2004 and the 13<sup>th</sup> day of October 2004, and other relevant information, the subject Permit is hereby modified to extend the date to meet the final effluent limitations for Total Residual Chlorine from December 10, 2004 to January 31, 2006. The limitations are to be met by the installation of an ultraviolet disinfection system. The permit is also hereby modified to:

**Acquire, construct, install, operate, and maintain an ultra-violet disinfection system.**

Upon completion of this project and start-up of the new ultra-violet disinfection unit, Total Recoverable Chlorine (TRC) monitoring will no longer be necessary. At the time of start-up, the City of Williamstown must notify this Agency.

Sections C.11 and C.16 have been revised. Enclosed find revised pages 3, 4, 5, 6, 16, 17, 18, and 19 of 28 for WV/NPDES Permit No. WV0022071 reflecting this modification. New DMRs are also attached for use after start-up of the UV system.

As a response to an internal comment received as a result of the Public Notice, Section B, containing the compliance schedule, has been expanded to include several checkpoints before the start-up of the ultraviolet facilities. Each of these checkpoints require that the permittee submit written verification that the checkpoint has been met. These changes can be found in revised Section B, attached, page 16 of 28.

Promoting a healthy environment.

Received Time May.24. 11:34AM

WV/NPDES Permit WV0022071  
Modification No.2 - Wood County  
December 8, 2004  
Page 2 of 2

PROPOSED SEWAGE TREATMENT FACILITY TO BE CONSTRUCTED IN ACCORDANCE WITH:

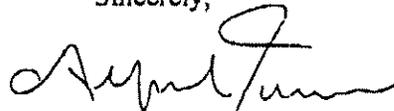
Plans, Specifications, and Reports:

Date Approved: June 14, 2004  
Prepared by: Burgess & Niple  
4424 Emerson Avenue  
Parkersburg, WV 26104  
Title: City of Williamstown WWTP Improvements  
Ultraviolet Disinfection System  
Contract 03-1  
SRF No. C-544335

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit No. WV0022071 shall remain in effect and unchanged.

If you have any questions regarding this matter, please feel free to contact Bill Sentman of this office at (304)-926-0499 Ext. 1084.

Sincerely,



Allyn G. Turner  
Director

AGT/wjs

cc: Env. Inspector Supervisor  
Env. Inspector, Wood County



THE CITY OF WILLIAMSTOWN, WEST VIRGINIA

Sewerage System Revenue Bonds.  
Series 1987 A and Series 1987 B

SUPPLEMENTAL AND AMENDATORY BOND ORDINANCE

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AN ORDINANCE SUPPLEMENTING AND AMENDING THE ORDINANCE OF THE CITY OF WILLIAMSTOWN ENTITLED:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE WATER AND SEWER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 1955, OF THE CITY OF WILLIAMSTOWN, WEST VIRGINIA THROUGH THE ISSUANCE BY THE CITY OF WILLIAMSTOWN, WEST VIRGINIA OF WATERWORKS REFUNDING REVENUE BONDS, SERIES 1987, IN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$59,000 AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1987 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$59,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH WATERWORKS REVENUE BONDS AND SEWERAGE SYSTEM REVENUE BONDS; PROVIDING FOR THE SEVERING OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN INTO A SEPARATE WATERWORKS SYSTEM OF THE CITY OF WILLIAMSTOWN AND A SEPARATE SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN; CONTINUING THE SANITARY BOARD AND ENACTING OTHER PROVISION RELATING THERETO:

AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN PUBLIC SERVICE PROPERTIES FOR THE COLLECTION, TREATMENT, PURIFICATION AND DISPOSAL OF LIQUID OR SOLID WASTES, SEWAGE AND INDUSTRIAL WASTES IN THE CITY OF WILLIAMSTOWN, WOOD COUNTY, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREFOR, THROUGH THE ISSUANCE BY THE CITY OF WILLIAMSTOWN OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$900,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH SEWERAGE SYSTEM REVENUE BONDS; AUTHORIZING THE SALE OF SUCH SEWERAGE SYSTEM REVENUE BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; ADOPTING OTHER PROVISIONS RELATING THERETO; AND REPEALING AN ORDINANCE OF THE CITY ADOPTED ON APRIL 14, 1987

The Council of the City of Williamstown hereby ordains:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Supplemental and Amendatory Ordinance shall have the meanings set forth in the Prior Ordinance, and in addition,

the following terms shall have the meanings specified below with respect to the Series 1987 A Bonds and the Series 1987 B Bond, notwithstanding the fact that such terms may have different meanings under the Prior Ordinance:

"Authority" means the West Virginia Water Development Authority or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the City, as hereinafter defined, or any other officer of the City of Williamstown specifically designated by resolution of the City, as hereinafter defined, as such.

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

"Bonds" means collectively, the Prior Bonds, Series 1987 A Bonds and Series 1987 B Bond, as hereinafter defined, and any additional Bonds hereafter issued within the terms, restrictions and conditions contained herein and in the Prior Ordinance.

"Bonds Capitalized Interest Account" means the Sewerage System Revenue Bonds Capitalized Interest Account established in the Bond Construction Trust Fund.

"Bond Construction Trust Fund" means the City of Williamstown Project Bond Construction Trust Fund established by Section 4.02 hereof.

"Consulting Engineers" means any qualified engineers or firm of engineers that at any time may be retained by the City as consulting engineers for the System.

"Cost of the Project" or similar phrases mean those costs described in Section 1.03 hereof to be part of the costs of construction and acquisition of the Project, as hereinafter defined.

"Depository Bank" means any one or more state banking corporations or national banking associations, eligible under the laws of the State to receive deposits of state and municipal funds, insured by the Federal Deposit Insurance Corporation, and designated by the Sanitary Board of the City as custodian of any one or more of the funds established by Article IV hereof.

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

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

"Government Obligations" means (i) direct obligations of the United States of America, (ii) obligations unconditionally guaranteed by the United States of America, and (iii) securities which represent an interest in direct obligations of the United States of America (including obligations to pay principal or interest) in an amount sufficient to pay when due the face amount of such securities and interest thereon.

"Grant" means an amount expected to be received by the City from the EPA, in aid of financing a certain portion of the Cost of the Project.

"Gross Revenues" means the Sewerage System Gross Revenues as that term is defined in the Prior Ordinance.

"Loan Agreement" means the loan agreement between the City and the Authority, pursuant to which the Authority has agreed to purchase the Series 1987 A Bonds as hereinafter defined.

"Net Revenues" means the Gross Revenues of the System less Operating Expenses of the System.

"Operating Expenses" means the Sewerage System Operating Expenses as that term is defined in the Prior Ordinance.

"Paying Agent" means the paying agent or co-paying agent for the Bonds appointed by Supplemental Resolution hereto.

"Plans and Specifications" means the plans and specifications for the construction of the Project prepared by the Consulting Engineers on file in the office of the City.

"Prior Bonds" means the Series 1987 Sewerage System Refunding Revenue Bonds issued by the City pursuant to the Prior Ordinance.

"Prior Ordinance" means the Ordinance enacted by the City on April 7, 1987, authorizing the issuance of the Series 1987 Sewerage System Refunding Revenue Bonds.

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

"Project" means the public service properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes of the City under the supervision and control of a sanitary board, as described in Exhibit A attached hereto and incorporated herein by reference.

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

A. Government Obligations;

B. Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; the Federal National Mortgage Association (but only to the extent such obligations are guaranteed by the Government National Mortgage Association); or the Government National Mortgage Association;

C. Public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

D. Certificates of deposit or other similar banking arrangements permitted by law, with a member bank or member banks of the Federal Reserve System or banks the deposits of which are insured by the FDIC, upon the terms and conditions as follows:

(i) all moneys invested in each such interest-bearing time deposit, certificate of deposit or similar banking arrangement shall be continuously and fully secured by obligations of the types described in clauses A, B and C above of a market value equal at all times to the amount of the deposit, certificate or similar banking arrangement; and

(ii) each such interest-bearing time deposit, certificate of deposit or similar banking arrangement shall permit the moneys so placed to be available for use at the times provided with respect to the investment or reinvestment of such moneys;

E. Direct and general obligations of the State or any other state within the territorial United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged; provided, that, at the time of their purchase, such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency;

F. The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended;

G. Repurchase agreements relating to any securities of the type described in clauses A or C above with any banking institution or association, including the Depository Bank, or any other financial institution, provided that the Depository Bank or the Bond Commission, as the case may be, or its agent have possession of the collateral, and that such collateral be free of claims of third parties.

"Sanitary Board" means the Sanitary Board of the City, as such term is defined in the Prior Ordinance.

"Series 1987 A Bonds" means the Series 1987 A Bonds of the City described in Sections 3.02 and 3.03 hereof.

"Series 1987 A Bonds Reserve Account" means The City of Williamstown Sewerage System Bond Reserve Account created in the Series 1987 A Sinking Fund by Section 4.01B hereof.

"Series 1987 A Bonds Reserve Account Requirement" means the maximum amount of principal and interest which will come due on the Series 1987 A Bonds in the then current or any succeeding Fiscal Year.

"Series 1987 A Sinking Fund" means The City of Williamstown Sewerage System Series 1987 A Bonds Sinking Fund created in the Sewerage System Sinking Fund by Section 4.01B hereof.

"Series 1987 B Bond" means the Series 1987 B Bond of the City described in Sections 3.02 and 3.03 hereof.

"Series 1987 B Bond Reserve Account" means The City of Williamstown Sewerage System 1987 B Bond Reserve Account created in the Series 1987 B Sinking Fund by Section 4.01E hereof.

"Series 1987 B Bond Reserve Account Requirement" means the maximum amount of principal which will come due on the Series 1987 B Bond in the then current or any succeeding Fiscal Year.

"Series 1987 B Sinking Fund" means The City of Williamstown Sewerage System Series 1987 B Bond Sinking Fund created in the Sewerage System Sinking Fund by Section 4.01E hereof.

"Sewer Act" means Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended, and in effect on the date of enactment of this Supplemental and Amendatory Ordinance.

"Sewerage System Depreciation Fund" means the City of Williamstown Sewerage System Depreciation Fund created by Section 3.01 of the Prior Ordinance and Section 4.01C hereof.

"State" means the State of West Virginia.

"Supplemental Loan Agreement" means the supplemental loan agreement between the City and the Authority, pursuant to which the Authority has agreed to purchase the Series 1987 B Bond.

"Supplemental Resolution" means any resolution of the City amending or supplementing this Supplemental and Amendatory Ordinance.

"System" means the Project, in its entirety or any integral part thereof, and any improvements, extensions or betterments thereto hereafter constructed or acquired for the public services properties from any sources whatsoever, both within and without the City.

"Water Development Act" means Chapter 20, Article 5C, of the Code of West Virginia of 1931, as amended, and in effect on the date of adoption of this Supplemental and Amendatory Ordinance.

Additional terms and phrases are defined in this Supplemental and Amendatory Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Supplemental and Amendatory Ordinance; and the term "hereafter" means after the date of adoption of this Supplemental and Amendatory Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Supplemental and Amendatory Ordinance so numbered.

Section 1.02. Authority for this Supplemental and Amendatory Ordinance. This Supplemental and Amendatory Ordinance is adopted pursuant to the provisions of the Sewer Act, the Prior Ordinance, and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The City of Williamstown is a municipal corporation and political subdivision of the State of West Virginia situated in Wood County of the State. The City of Williamstown owns and operates a municipal sewerage system and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements to the System by issuance of several series of revenue bonds and refunding bonds, of which there is presently outstanding the City's Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, dated December 1, 1955 upon original issuance and issued in aggregate principal amount of \$320,000.00 pursuant to an Ordinance enacted by the Council of the City on October 18, 1955, which is to be refunded upon the issuance of the Prior Bonds and the Waterworks Refunding Revenue Bonds Series 1987 as authorized by the Prior Ordinance, to be issued concurrently with the Series 1987 A Bonds and Series 1987 B Bond.

B. The present sewage treatment facility of the City is inadequate and the existing sewage treatment plant cannot meet State and Federal regulatory requirements for secondary sewage treatment.

C. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Project be constructed at an estimated cost of \$2,708,295. The Cost of the Project shall be deemed to include the construction of a secondary sewer treatment plant and the necessary appurtenances thereto to augment the City's present primary treatment capacity at Williamstown, Wood County, West Virginia. Expenses incurred will include, but not be limited to, the cost of all property, rights, easements and franchises deemed necessary or convenient therefor and for the

improvements determined upon as provided in the Sewer Act, interest upon the Series 1987 A Bonds prior to and during construction or acquisitions and six months after the completion of construction or acquisition of the Project, costs and expenses of the Authority related and incidental to the Project and the issuance of the Series 1987 A Bonds and the Series 1987 B Bond, engineering and legal expenses, expenses for estimates of costs and of revenues, expenses for plan specifications and surveys, expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expenses and other obligations necessary to implement the Project; and such other expenses as may be necessary or incident to the financing authorized by this Supplemental and Amendatory Ordinance and the Sewer Act, the construction and acquisition of the Project and the placing of the same in operation and the performance of the things herein required or permitted in connection with any thereof, including with respect to the Series 1987 A Bonds and Series 1987 B Bond, any commitment fees to the Authority; provided, that reimbursement to the City for any amounts expended by it for allowable costs of the Project prior to the issuance of the Series 1987 A Bonds and Series 1987 B Bond, as the case may be, or the repayment of indebtedness incurred by the City for such purposes shall be deemed a Cost of the Project.

D. The City has received certain grants for the construction and acquisition of the Project, including a grant from the EPA in the approximate amount of \$1,863,538. The District has entered into a Step II/III grant agreement with the EPA, pursuant to which the EPA will reimburse the City for approximately seventy-five percent (75%) of the Cost of the Project incurred by the City which is eligible for reimbursement by EPA.

E. Other than the Prior Bonds described herein, the City does not have any bonds or other obligations outstanding or to be outstanding as of the date hereof which have a lien on the Net Revenues derived from the operation of the System.

The estimated Gross Revenues to be derived from the operation of the System in each year after the construction of the Project will be sufficient to pay all Operating Expenses and to pay the principal of and interest on the Bonds and all Sinking Fund, Reserve Account, Sewerage System Depreciation Fund and other payments provided for in the Prior Ordinance and this Supplemental and Amendatory Ordinance with respect to the Bonds.

F. The Authority has agreed to purchase the Series 1987 A Bonds and Series 1987 B Bond pursuant to the terms and provisions of the Loan Agreement and the Supplemental Loan Agreement.

G. It is in the best interests of the City that its Series 1987 A Bonds and Series 1987 B Bond be sold to the Authority pursuant to the Loan Agreement and the Supplemental Loan Agreement as soon after the adoption of this Supplemental and Amendatory Ordinance as may be practicable and authorized and permitted by applicable law.

H. The period of usefulness of the System after completion of the Project is not less than forty (40) years.

I. The City has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 1987 A Bonds and Series 1987 B Bond, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.04. Supplemental and Amendatory Ordinance Constitutes Contract. In consideration of the acceptance of the Series 1987 A Bonds and Series 1987 B Bond by those who shall be the registered owners of the same from time to time, this Supplemental and Amendatory Ordinance shall be deemed to be and shall constitute a contract between the City and such holders of the Series 1987 A Bonds and Series 1987 B Bond, 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 registered owners of any and all of such Series 1987 A Bonds and Series 1987 B Bond, all which shall be of equal rank and without preference, priority or distinction between any one bond of a series and any other bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II

### AUTHORIZATION OF THE PROJECT; APPROVAL OF ACTIONS: APPROVAL AND EXECUTION OF DOCUMENTS

Section 2.01. Authorization of the Project. There is hereby authorized the construction and acquisition of the Project described in Exhibit A hereto.

Section 2.02. Approval of Application, Loan Agreement, Amended Application, and Supplemental Loan Agreement. The application for a construction loan to the Authority executed by an Authorized Officer of the City on February 2, 1987; the Loan Agreement, the amended application for a construction loan to the Authority, executed by an Authorized Officer of the City on February 2, 1987, and the Supplemental Loan Agreement are hereby approved. An Authorized Officer of the City and the City Clerk of the City are hereby authorized to execute the Loan Agreement and the Supplemental Agreement, and all other documents required to be executed by or on behalf of the City by the terms of the Loan Agreement or the Supplemental Loan Agreement. All stipulations, covenants and agreements contained in the Loan Agreement and the Supplemental Loan Agreement are incorporated herein and made a part hereof as fully as if herein set out in full.

Section 2.03. Approval of Actions. An Authorized Officer and the City Clerk of the City and the other officers of the City hereby are authorized and directed to execute any and all instruments and perform any and all acts as, in their discretion, may be necessary or advisable in effecting the purposes of this Supplemental and Amendatory Ordinance, the Loan Agreement, or the Supplemental Loan Agreement.

### ARTICLE III

#### BONDS

Section 3.01. Authorization of Series 1987 A Bond and Series 1987 B Bond. For the purposes of capitalizing interest on the Series 1987 A Bonds paying the Cost of the Project not otherwise provided for, funding the Series 1987 A Bonds Reserve Account and Series 1987 B Bond Reserve Account, and paying certain costs of issuance and related costs, there shall be issued negotiable bonds of the City, in an aggregate principal amount not to exceed \$900,000. The bonds shall be designated "Series 1987 A Bond" in the aggregate principal amount of not more than \$900,000 and "Series 1987 B Bond" in the aggregate principal amount of not more than \$900,000, and shall have such terms as set forth hereinafter, or in a Supplemental Resolution. The proceeds of the Series 1987 A Bonds and Series 1987 B Bond remaining, if any, after funding of the respective reserve accounts and capitalization of interest shall be deposited in the Bond Construction Trust Fund established by Section 4.02 hereof.

Section 3.02. Terms of the Series 1987 A Bond and Series 1987 B Bond. The Series 1987 A Bonds and Series 1987 B Bond shall bear interest, if any, at such rate or rates not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the City shall prescribe in a Supplemental Resolution. The Series 1987 A Bonds shall be numbered consecutively upward beginning with Number 1. The Series 1987 A Bonds and Series 1987 B Bond shall be payable as to principal at the office of the Bond Commission, as Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1987 A Bonds and Series 1987 B Bond shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar, or by such other method as shall be mutually agreeable as long as the Authority is the holder thereof.

Section 3.03. Form of the Series 1987 A Bond and Series 1987 B Bond. The Series 1987 A Bonds shall be issued in substantially the form set forth as Exhibit B hereto, with such appropriate corrections, omissions and insertions as are permitted or required by this Supplemental and Amendatory Ordinance or any Supplemental Resolution and are deemed advisable by the City.

The Series 1987 B Bond shall be issued in substantially the form set forth as Exhibit C hereto, with such appropriate corrections, omissions and insertions as are permitted or required by this Supplemental and Amendatory Ordinance or any Supplemental Resolution and are deemed advisable by the City.

Section 3.04. Execution of Bonds. The Series 1987 A Bonds and Series 1987 B Bond shall be executed in the name of the City by the manual signature of an Authorized Officer thereof, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the City Clerk by manual signature. In case any one or more of the persons who shall have signed or sealed any Series 1987 A Bonds and Series 1987 B Bond shall cease to hold such office before such Series 1987 A Bonds and Series 1987 B Bond so signed and sealed shall have been delivered, such Series 1987 A Bonds and Series 1987 B Bond nevertheless may be delivered as herein provided and may be issued as if such person had not ceased to hold such office. Any Series 1987 A Bonds and Series 1987 B Bond may be signed, sealed and attested on behalf of the City by such person who at the time of such actions shall hold the requisite office, regardless of whether such person shall have held such office on the date of such Series 1987 A Bonds and Series 1987 B Bond.

Section 3.05. Authentication and Registration. No Series 1987 A Bond and Series 1987 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereof unless and until the Certificate of Authentication on such Series 1987 A Bond and Series 1987 B Bond shall have been duly executed by the Registrar. Any Certificate of Authentication upon any Series 1987 A Bond and Series 1987 B Bond so executed shall be conclusive evidence that such Series 1987 A Bond and Series 1987 B Bond has been authenticated, registered and delivered under this Supplemental and Amendatory Ordinance. The Certificate of Authentication on any Series 1987 A Bond and Series 1987 B Bond shall be deemed to have been executed by the Registrar if signed by the manual signature of an authorized officer of the Registrar. It shall not be necessary that the same authorized officer sign the Certificate of Authentication on each Series 1987 A Bond and Series 1987 B Bond.

Section 3.06. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 1987 A Bonds and Series 1987 B Bond shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive holder, in accepting each Series 1987 A Bond or Series 1987 B Bond, shall be deemed conclusively to have agreed to the incontestability of the Series 1987 A Bonds and Series 1987 B Bond in the hands of a bona fide holder for value, subject to compliance by such holder with the registration provisions herein and therein provided.

As long as any of the Series 1987 A Bonds and Series 1987 B Bond remain outstanding, the Registrar shall keep and maintain the Register for the registration and transfer of any Series 1987 A Bonds and Series 1987 B Bond.

A Series 1987 A Bond or Series 1987 B Bond shall be transferable only by transfer of registration upon the Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 1987 A Bond or Series 1987 B Bond, there shall be issued another Series 1987 A Bond or Series 1987 B Bond (at the option of the transferee) of the same series, interest rate, if any, and maturity as the transferred Series 1987 A Bond or Series 1987 B Bond and of an aggregate principal amount equal to the unpaid principal amount of the transferred Series 1987 A Bond or Series 1987 B Bond.

In all cases in which the privilege of transferring or exchanging a Series 1987 A Bond or Series 1987 B Bond is exercised, a Series 1987 A Bond or Series 1987 B Bond shall be delivered in accordance with the provisions of this Supplemental and Amendatory Ordinance. Any Series 1987 A Bond or Series 1987 B Bond surrendered in any such transfer or exchange shall be cancelled forthwith by the Registrar. Any transfer of a Series 1987 A Bond or Series 1987 B Bond and any exchange of a Series 1987 A Bond or Series 1987 B Bond in the event of partial redemption shall be made by the Registrar without charge to the holder or the transferee thereof. For every transfer or exchange of a Series 1987 A Bond or Series 1987 B Bond, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange. The City shall pay such service charge, tax or other governmental charge. The Registrar shall not be obliged to make any such transfer or exchange of a Series 1987 A Bond or Series 1987 B Bond proposed to be redeemed after the selection of such bonds to be redeemed.

Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1987 A Bond or Series 1987 B Bond shall become mutilated or be destroyed, stolen or lost, the City may execute, and the Registrar shall authenticate, register and deliver, a new Series 1987 A Bond or Series 1987 B Bond of like series, maturity and principal amount as the Series 1987 A Bond or Series 1987 B Bond so mutilated, destroyed, stolen or lost, either in exchange for and upon surrender and cancellation of, such mutilated Series 1987 A Bond or Series 1987 B Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, but only if the holder shall furnish the City and the Registrar with proof of his ownership thereof and that the Series 1987 A Bond or Series 1987 B Bond has been destroyed, stolen or lost and shall comply with such other reasonable regulations and conditions as the City or the Registrar may stipulate. The name of the holder listed in the Register shall constitute proof of ownership. Any Series 1987 A Bond and Series 1987 B Bond so surrendered shall be submitted to and cancelled by the Registrar, and evidence of such cancellation shall be given to the City. If any such Series 1987 A Bond or Series 1987 B Bond shall have matured or be about to mature, the City, by and through the Registrar, may pay the same without issuance of a substitute Series 1987 A Bond or Series 1987 B Bond therefor.

Section 3.08. Person Treated as Owners. The City, the Registrar and any agent of the City or the Registrar may treat the person in whose name any Series 1987 A Bond or Series 1987 B Bond is registered as the owner of such Series 1987 A

Bond or Series 1987 B Bond for the purpose of receiving payment of the principal of and interest, if any, on such Series 1987 A Bond or Series 1987 B Bond, and for all other purposes, whether or not such Series 1987 A Bond or Series 1987 B Bond is overdue.

Section 3.09. Delivery of the Series 1987 A Bond and the Series 1987 B Bond. The City shall execute and deliver to the Registrar, and the Registrar shall authenticate, register and deliver to the Authority the Series 1987 A Bonds and the Series 1987 B Bond, upon payment therefor and receipt of the documents set forth below:

A. A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver to the Authority the Series 1987 A Bonds and the Series 1987 B Bond; and

B. The unqualified approving opinion of bond counsel designated by the City and acceptable to the Authority.

Section 3.10. Application of Proceeds of Series 1987 A Bond and Series 1987 B Bond. The proceeds received from the sale of the Series 1987 A Bonds and Series 1987 B Bond shall be used to fund the Bonds Capitalized Interest Account, Series 1987 A Bonds and Series 1987 B Bond Reserve Accounts and to repay the Authority any interim loans advanced to the City, and any remaining proceeds shall be deposited in the Bond Construction Trust Fund and applied to the payment of the Cost of the Project, including the costs of issuance of the Series 1987 A Bonds and Series 1987 B Bond, and the holders of the Series 1987 A Bonds and Series 1987 B Bond shall have a lien upon the proceeds until such proceeds are applied in the manner herein described.

#### ARTICLE IV

#### SERIES 1987 A BOND AND SERIES 1987 B BOND PROCEEDS; REVENUES; FUNDS; AND ACCOUNTS

##### Section 4.01. Revenues; Funds and Accounts.

A. The Gross Revenues from the operation of the System shall be deposited upon receipt in the Depository Bank in the Sewerage System Revenue Fund, established by the Prior Ordinance. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and in this

Supplemental and Amendatory Ordinance and shall be kept separate and distinct from all other funds of the Depository Bank or of the City and used solely for the purposes and in the manner provided in the Prior Ordinance and herein. All revenues on deposit in the Revenue Fund shall first each month be used to pay all reasonable Operating Expenses of the System. Thereafter, disbursements shall be made from the Revenue Fund in the order and priority set forth in Section 3.03 B of the Prior Ordinance and in Subsections B, C, D and E of this Section 4.01 and shall be used only for the purposes and in the manner therein and herein provided.

B. (1) On the first day of each month, beginning on the first day of that month which is seven months prior to the first interest payment date on which interest on the Series 1987 A Bonds is to be paid from Revenues, the City shall apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in a sub account within the Sewerage System Sinking Fund which sub account is hereby created and established with the Bond Commission, to be designated the "Series 1987 A Sinking Fund" a sum equal to one-sixth of the amount of interest which will become due on the Series 1987 A Bonds on the next ensuing semiannual interest payment date; provided, that "next ensuing semiannual interest payment date" shall not refer to the interest payment date on which any such deposit is made. The last monthly deposit to be made in each six-month period to pay interest on the next ensuing semiannual interest payment date may be reduced to the extent that deposits made for the five preceding months, together with any other moneys on deposit in the Series 1987 A Sinking Fund for the payment of interest would be sufficient with such reduced monthly deposit to make the next ensuing semiannual interest payment. All remittances of funds from the Revenue Fund to the Series 1987 A Sinking Fund pursuant to this Section shall be made on a parity basis with all remittances of funds to the Sewerage System Sinking Fund pursuant to Section 3.03 B(2)(a) of the Prior Ordinance and no payments required under either such Section of the Prior Ordinance or this Section shall have any preference or priority over the other.

(2) On the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment date of the Series 1987 A Bonds, the City shall apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in the Series A Sinking Fund, a sum equal to one-twelfth of the amount of principal which will mature and become due on the Series 1987 A Bonds on the next ensuing principal payment date; provided, that "next ensuing principal payment date" shall not refer to the

principal payment date on which any such deposit is made. The last monthly deposit to be made in each twelve-month period to pay principal on the next ensuing annual principal payment date may be reduced to the extent that deposits made for the eleven preceding months, together with any other moneys on deposit in the Series 1987 A Sinking Fund for the payment of principal, would be sufficient with such reduced monthly deposit to make the next ensuing annual principal payment. All remittances of funds from the Revenue Fund to the Series 1987 A Sinking Fund pursuant to this Section shall be made on a parity basis with all remittances of funds to the Sewerage System Sinking Fund pursuant to Section 3.03 B(2)(b) of the Prior Ordinance and no payments required under either such Section of the Prior Ordinance or this Section shall have any preference or priority over the other. So long as there is on deposit in the Series 1987 A Bond Reserve Account an amount equal to the Series 1987 A Bond Reserve Requirement, the Bond Commission shall transfer to the City and deposit in the Revenue Fund for payment into the Series 1987 A Sinking Fund semi-annually all investment earnings on the Series 1987A Bond Reserve Account.

(3) Unless the City has funded the Series 1987 A Bonds Reserve Account with Bond proceeds, the City shall next, from the Revenue Fund, remit to the Bond Commission for deposit in an account to be designated the "Series 1987 A Bonds Reserve Account," which is hereby created and established in the Series 1987 A Sinking Fund, on the first day of each month of each year, beginning with and including the month in which the payments required by Section 4.01 B (2) are commenced, an amount equal to 1/12th of 1/10th of the Series 1987 A Bonds Reserve Account Requirement; provided that no further payments shall be made into the Series 1987 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1987 A Bonds Reserve Account Requirement. All remittances of funds from the Revenue Fund to the Series 1987 A Sinking Fund pursuant to this Section shall be made on a parity basis with all remittances of funds to the Sewerage System Sinking Fund pursuant to Section 3.03B(2)(6) of the Prior Ordinance and no payments required under either such Section shall have any preference or priority over the other.

Moneys in the Series 1987 A Bonds Reserve Account shall be used only for the purpose of paying principal of or interest on the Series 1987 A Bonds, as the same shall come due, when other moneys in the Series 1987 A Sinking Fund are insufficient therefor, and for no other purpose.

C. On the first day of each month, beginning with the first month in which interest shall be payable from the Revenue Fund, the City shall apportion and set apart out of the Revenue Fund and transfer to the Depository Bank, for deposit in the Sewerage System Depreciation Fund, a sum equal to 2-1/2% of Gross Revenues, less any amount transferred to the Series 1987 A Bonds Reserve Account received during the previous month. All funds in the Sewerage System Depreciation Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank.

Withdrawals and disbursements from the Sewerage System Depreciation Fund shall be made by the City only for the following purposes and in the following order of priority:

(1) For the payment of the then payable principal of, premium, if any, and interest on the Prior Bonds and the Series 1987 A Bonds if there are not sufficient funds therefor in the Sewerage System Sinking Fund and the Series 1987 A Sinking Fund (including the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account);

(2) To make up any deficiency in the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account (so that the amount on deposit therein are at least equal to the Sewerage System Reserve Account Requirement and the Series 1987 A Bonds Reserve Account Requirement), subject to the provisions of the Prior Ordinance and Section 4.01 hereof; and

(3) For the payment of the reasonable costs of replacements, emergency repairs, improvements or extensions to the System;

D. The City shall restore any withdrawals from the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account which have the effect of reducing the value of the funds therein below the Sewerage System Reserve Account Requirement and the Series 1987 A Bonds Reserve Account Requirement, first from moneys then remaining in the Revenue Fund and next from funds deposited in the Sewerage System Depreciation Fund and then from the first Net Revenues available after all required deposits to the Sewerage System Sinking Fund and the Series 1987 A Sinking Fund therein, including deposits in respect of deficiencies for prior deposits, have been made in full; provided, that the City shall not be required to restore any withdrawal when the sum in the Sewerage System Sinking Fund and the Series 1987 A Sinking Fund therein, and all accounts therein of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, is at least equal to the

principal amount of the Prior Bonds and the Series 1987 A Bonds then outstanding plus the amount of interest due or thereafter to become due thereon.

E. (1) On the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment date of the Series 1987 B Bond, the City shall apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in a subaccount in the Sewerage System Sinking Fund an account to be designated the "Series 1987 B Sinking Fund" which is hereby created and established with the Bond Commission, a sum equal to one-twelfth of the amount of principal which will mature and become due on the Series 1987 B Bond on the next ensuing principal payment date; provided, that "next ensuing principal payment date" shall not refer to the principal payment date on which any such deposit is made. The last monthly deposit to be made in each twelve-month period to pay principal on the next ensuing annual principal payment date may be reduced to the extent that deposits made for the eleven preceding months, together with any other moneys on deposit in the Series 1987 B Sinking Fund for the payment of principal, would be sufficient with such reduced monthly deposit to make the next ensuing annual principal payment.

(2) Unless the City has funded the Series 1987 B Bond Reserve Account with Bond proceeds, the City shall next, from the Revenue Fund, remit to the Bond Commission for deposit in an account to be designated the "Series 1987 B Bond Reserve Account," which is hereby created and established in the Series 1987 B Sinking Fund, on the first day of each month of each year, beginning with and including the month in which the payments required by Section 4.01 E (1) are commenced, an amount equal to 1/12th of 1/10th of the Series 1987 B Bond Reserve Account Requirement; provided that no further payments shall be made into the Series 1987 B Bond Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series B Bond Reserve Account Requirement. So long as there is on deposit in the Series 1987 A Bond Reserve Account an amount equal to the Series 1987 A Bond Reserve Requirement, the Bond Commission shall transfer to the City and deposit in the Revenue Fund for payment into the Series 1987 A Sinking Fund semi-annually all investment earnings on the Series 1987 A Bond Reserve Account.

Moneys in the Series 1987 B Bond Reserve Account shall be used only for the purpose of paying the principal of the Series 1987 B Bond as the same shall become due, when other moneys in the Series 1987 B Sinking Fund are insufficient therefor, and for no other purpose.

Any withdrawals from the Series 1987 B Bond Reserve Account shall be subsequently restored from the first Net Revenues available after all required payments to the Sewerage System Sinking Fund, including all required payments to the Series 1987 A Sinking Fund, the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account therein, Sewerage System Depreciation Fund, Series 1987 B Sinking Fund, including any deficiencies for prior payments, have been made in full.

F. On such dates as the Bond Commission shall require, the City shall remit to the Bond Commission such additional sums from the Revenue Fund as shall be necessary to pay the fiscal agency charges due for paying the Prior Bonds and the Series 1987 A Bonds and the interest thereon and the Series 1987 B Bond.

Pending such application, moneys in the Revenue Fund shall be invested in accordance with Article VI hereof.

Moneys on deposit in the Series 1987 A Sinking Fund shall be used only for the purposes of paying the principal of and the interest on the Series 1987 A Bonds, as the same shall become due. Moneys on deposit in the Series 1987 B Sinking Fund shall be used only for the purpose of paying principal of the Series 1987 B Bond as the same shall become due.

The City shall not be required to make further deposits into the Sewerage System Sinking Fund, including the Series 1987 A Sinking Fund, the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account therein, and the Series 1987 B Sinking Fund and the Series 1987 B Bond Reserve Account therein when the sums of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, in the Sewerage System Sinking Fund, the Series 1987 A Sinking Fund and the Series 1987 B Sinking Fund and Reserve Accounts therein are at least equal to the respective principal amounts of the Prior Bonds, the Series 1987 A Bonds and Series 1987 B Bond then outstanding plus the amount of any interest due or thereafter to become due thereon.

As and when additional bonds are issued, provision shall be made for additional deposits into the respective Sinking Funds sufficient to pay the interest on such additional Bonds and accomplish retirement thereof at or before maturity.

Deposits into the respective Sinking Funds shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such deposit shall be made on the next succeeding business day. All such deposits shall be remitted to the Bond

Commission with appropriate instructions, consistent with the provisions of this Supplemental and Amendatory Ordinance, as to the custody, use and application of the funds deposited.

G. Whenever all the required transfers and deposits from the Revenue Fund have been made and there remains on deposit in the Revenue fund an amount exceeding the amount estimated to be required to be paid for Operating Expenses during the then current Fiscal Year and the next ensuing Fiscal Year, as determined by resolution of the Sanitary Board, such excess may be transferred to the Sewerage System Depreciation Fund or used for any lawful purpose of the System, including payment on other obligations junior, subordinate and inferior to the Prior Bonds, the Series 1987 A Bonds and the Series 1987 B Bond, as directed by the Sanitary Board.

H. If on any payment date Net Revenues are insufficient to make the transfers and deposits hereinabove provided, the deficient transfer or deposit shall be corrected on the next ensuing payment date by payments in addition to the payments otherwise required to be made on such payment date.

I. The Bond Commission hereby is designated as the fiscal agent for the administration of the respective Sinking Funds. All amounts to be deposited into the respective Sinking Funds shall be remitted by the City to the Bond Commission, as provided herein. All such remittances shall identify clearly the fund or account into which such remittance is to be deposited.

J. Funds on deposit in the Revenue Fund, excess proceeds of the Series 1987 A Bonds and Series 1987 B Bond and the Sewerage System Depreciation Fund in excess of the amount insured by the FDIC shall be secured at all times to the full extent of such excess by such Qualified Investments as are eligible under the laws of the State to secure deposits of municipal funds.

K. Gross Revenues will be used only for the lawful purposes of the System.

Section 4.02. Bond Construction Trust Fund. There is hereby created and established with the Depository Bank a special fund, to be designated the "City of Williamstown Project Bond Construction Trust Fund," which fund shall be segregated from all other funds and accounts of the Depository Bank or the City and used solely for the purposes provided herein.

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance of the Series 1987 A Bonds and Series 1987 B Bond which shall be made upon request of the City, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

No moneys shall be disbursed from the Bond Construction Trust Fund except to pay the Cost of the Project. Withdrawals from the Construction Fund, except for legal, fiscal expenses and expenses in connection with the issuance and sale of the Series 1987 A Bonds and Series 1987 B Bond, shall be made only after submission to the Depository Bank of a certificate, signed by the Consulting Engineers and an Authorized Officer of the City, stating that such costs have been properly incurred, that such costs are part of the Cost of the Project, and that payment is then due and owing.

Pending such application, moneys in the Bond Construction Trust Fund including any accounts therein may be invested and reinvested in Qualified Investments at the direction of the City.

The Bond Construction Trust Fund shall constitute a trust fund for the purposes described above, and there is hereby created a lien upon such moneys until so applied first in favor of the holders of the Series 1987 A Bonds, without preference or priority of one over the other and second in favor of the holders of the Series 1987 B Bond.

After completion of the Project, as certified by the Consulting Engineers, any moneys remaining in the Bond Construction Trust Fund shall be applied to (i) the Series 1987 A Bonds Reserve Account, up to the amount of the Series 1987 A Bonds Reserve Account Requirement, (ii) the Series 1987 B Bond Reserve Account up to the amount of the Series 1987 B Bond Reserve Account Requirement, and (iii) any remaining amount to the Revenue Fund with the City to apply such moneys in full first, to the next ensuing interest payments due on the Series 1987 A Bonds, second, to the next ensuing principal payment due on the Series 1987 A Bonds, and, third, to the next ensuing principal payment on the Series 1987 B Bond.

Section 4.03. Tap Fee Account. All proceeds from any Tap fees imposed and collected by the City shall be deposited in a special account, to be designated the "City of Williamstown Project Tap Fee Account" (the "Tap Fee Account"), which is hereby created and established in the Bond Construction Trust Fund. The City shall pay promptly out of the Tap Fee Account the costs of connection to the System. Any amounts remaining in the Tap Fee Account after connections have been made for all customers who paid such Tap Fees shall be considered excess and shall be transferred by the Depository Bank to the Bond Construction Trust Fund and used for authorized purposes thereof for as long as such Construction Fund remains in existence, and thereafter to the Revenue Fund.

Section 4.04. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1987 A Bonds and Series 1987 B Bond, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1987 A Bonds, there shall be deposited with the Bond Commission in the Series 1987 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1987 A Bonds for the period commencing on the date of issuance of the Bond and ending six (6) months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1987 A Bonds, there shall be deposited with the Bond Commission in the Series 1987 A Bonds Reserve Account and from the proceeds of the Series 1987 B Bond there shall be deposited with the Bond Commission in the Series 1987 B Bond Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. The remaining moneys derived from the sale of the Series 1987 A Bonds and Series 1987 B Bond shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of the Cost of the Project in the manner set forth in Section 4.02 above.

D. The Depository Bank shall act as a trustee and fiduciary for the holder of the Series 1987 A Bonds and Series 1987 B Bond with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in this Supplemental and Amendatory Ordinance. Moneys in the Bond Construction Trust Fund shall be used solely to pay the Cost of the Project and until so expended, are hereby pledged as additional security for the Series 1987 A Bonds, and thereafter for the Series 1987 B Bond. In the event that Notes are issued, the disposition of funds in the Bond Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

## ARTICLE V

### ADDITIONAL COVENANTS OF THE CITY

Section 5.01. General Covenants of the City. All covenants, agreements and provisions of this Supplemental and Amendatory Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any holder or holders of the Series 1987 A Bonds and the Series 1987 B Bond, as prescribed by Article VII hereof. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, for as long as the Series 1987 A Bonds and the Series 1987 B Bond remain outstanding.

Section 5.02. Series 1987 A Bonds and Series 1987 B Bond not to be Indebtedness of the City. The Series 1987 A Bonds and Series 1987 B Bond shall not be a corporate indebtedness of the City within the meaning of any statutory or

constitutional limitation but shall be payable solely from Sewerage System Net Revenues, the funds in the Sewerage System Sinking Fund and all accounts therein and from funds in the Sewerage System Depreciation Fund, and as to any series of Bonds, from the unexpended proceeds derived from the sale of that series. No Holder or Holders of any of the Series 1987 A Bonds or the Series 1987 B Bond shall ever have the right to compel the exercise of the taxing power of the City to pay the principal of, premium, if any, or interest on the Series 1987 A Bonds or the Series 1987 B Bond.

Section 5.03. Series 1987 A Bonds and Series 1987 B Bond Secured by Pledge of Net Revenues, Funds and Unexpended Bond Proceeds. The payment of the debt service of the Series 1987 A Bonds issued hereunder shall be secured forthwith by a first lien on and pledge of the Net Revenues on a parity with the Prior Bonds and any other parity bonds hereafter issued and outstanding under the Prior Ordinance or this Supplemental and Amendatory Ordinance. The payment of the debt service of the Series 1987 B Bond issued hereunder shall be secured forthwith by a second lien on and pledge of the Net Revenues. Net Revenues in an amount sufficient to pay the principal of, premium, if any, and interest on first, the Prior Bonds and the Series 1987 A Bonds, equally and without priority of one over the other, and second, the Series 1987 B Bond, and to make the deposits into the respective Sinking Funds and all other payments provided for in this Supplemental and Amendatory Ordinance, and the funds on deposit in the respective Sinking Funds and the Sewerage System Depreciation Fund, are pledged irrevocably hereby in the manner provided in this Supplemental and Amendatory Ordinance to the payment of the principal of, premium, if any, and interest on first, the Prior Bonds and Series 1987 A Bonds, equally and without priority of one over the other, and second, the Series 1987 B Bond, as the same becomes due and for the other purposes provided in this Supplemental and Amendatory Ordinance. The City hereby pledges the unexpended proceeds, if any, of the Series 1987 A Bonds and Series 1987 B Bond as additional security for payment of the principal of, premium, if any, and interest on first, the Series 1987 A Bonds, and second the Series 1987 B Bond, until expended in accordance with the provisions of this Supplemental and Amendatory Ordinance.

Section 5.04. Rates. The City hereby covenants and agrees that as long as either the Series 1987 A Bonds or the Series 1987 B Bond is outstanding it will fix, establish and collect System rates and charges which always shall provide Net Revenues along with other revenues of the System, after paying all Operating Expenses, equal to not less than one hundred fifteen percent (115%) of the maximum annual amount required to

pay the interest and principal as the same become due and accomplish retirement of all Bonds, or other obligations for the payment of which Net Revenues have or shall have been pledged, charged or otherwise encumbered provided, however, that as long as there is on deposit in (i) the Sewerage System Reserve Account in the Sewerage System Sinking Fund established by Section 3.03 B of the Prior Ordinance, an amount equal to the Sewerage System Reserve Account Requirement, (ii) the Series 1987 A Bonds Reserve Account in the Series A Sinking Fund established by Section 4.01B of this Supplemental and Amendatory Ordinance an amount equal to the Series 1987 A Bonds Reserve Account Requirement, (iii) the Series 1987 B Bond Reserve Account in the Series B Sinking Fund established by Section 4.01E of this Supplemental and Amendatory Ordinance an amount equal to the Series 1987 B Bond Reserve Account Requirement, and (iv) any other reserve account requirements, the foregoing percentage may be adjusted by the City to one hundred ten percent (110%).

Section 5.05. Completion, Operation and Maintenance, Right of Access. The City will expeditiously complete the Project and will provide and maintain competent and adequate resident engineering services satisfactory to the City and the Authority for the supervision and inspection of the construction of the Project, and bearing the responsibility of assuring the construction conforms to the Plans and Specifications and shall require its resident engineer to certify to the Authority and the City at the completion of construction that construction is in accordance with the Plans and Specifications. Upon completion of the construction, the City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner in compliance with the water quality standards established by the West Virginia Department of Natural Resources and the EPA, as well as all other State and Federal laws, regulations, orders, and standards, with qualified operating personnel properly certified, making expenditures for equipment and for the economical operation and maintenance thereof from Gross Revenues as provided in this Supplemental and Amendatory Ordinance. As long as the Authority shall hold the Series 1987 A Bonds or the Series 1987 B Bond, the Authority, the EPA and their duly authorized agents shall have the right at all reasonable times to enter upon the System to examine and inspect the same and shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the System pursuant to the pertinent provisions of the Water Development Act.

Section 5.06. Issuance of Other Obligations Payable out of Sewerage System Net Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations payable from Net Revenues, which as to lien, security and source of payment rank prior or equal to the Prior Bonds and Series 1987 A Bonds. The City shall not issue any other obligations payable from Net Revenues, which as to lien, security and source of payment, rank prior or equal to the Series 1987 B Bond, except additional parity Sewerage System Bonds as provided in Section 5.06 hereof which shall only be issued if Net Revenues of the System prior to issuance of the parity Sewerage System Bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Bonds and parity bonds theretofore and then being issued and on obligations secured by or payable from the revenues of the System prior to the Bonds, if any, provided, however, that additional parity bonds may be issued to complete the Project, as provided in Section 5.06 hereof.

All obligations issued by the City after the issuance of the Bonds and payable from the Net Revenues of the System, except such additional parity bonds provided for by section 5.06, 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 Prior Bonds, the Series 1987 A Bonds and the series 1987 B Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the respective Reserve Accounts and the Sewerage System Depreciation Fund at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in the Prior Ordinance and this Supplemental and Amendatory Ordinance, or upon the System or any part thereof.

Section 5.07. Additional Bonds on a Parity with the Series 1987 B Bond. No additional bonds shall be issued after the issuance of the Series 1987 B Bond as long as the Series 1987 B Bond is outstanding, except with the written consent of the holder of the Series 1987 B Bond, payable from Net Revenues on a parity with the Series 1987 B Bond.

The term "additional parity bonds," as used in this Section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on Net Revenues is subject and junior to the prior and superior lien thereon of the Series 1987 B Bond.

Anything to the contrary in this Section notwithstanding, the City, with the consent of the Authority, may issue additional parity bonds if required to complete the Project, according to the Plans and Specifications as described in the application filed with the Authority, without meeting the foregoing requirements.

Section 5.08. Construction and Fidelity Bonds; Workers' Compensation. The City will provide and maintain or, will require each contractor dealing directly with the City to provide and maintain: (i) Workers' Compensation coverage, (ii) public liability insurance, (iii) property damage insurance; (iv) vehicular liability insurance, all in amounts and on terms satisfactory to the City and the Authority and (v) performance and payment bonds in amounts of not less than 100% of the construction contracts. The City shall file such payment bonds with the Clerk of the County Commission of Wood County prior to the commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 29 of the Code of West Virginia of 1931, as amended. The City will maintain in force Workers' Compensation coverage for employees of the City, and will obtain for and maintain in force for every officer or employee of the City having custody of any funds of the System fidelity bonds in an amount at least equal to the total amount of funds in the custody of such officer or employee at any one time. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy shall be obtained by the City before the Bonds are issued, and maintained as long as any of the Bonds is outstanding. Prior to commencing operation of the Project, the City will also obtain, and maintain as long as any of the Bonds is outstanding, business interruption insurance, if available at a reasonable cost.

Section 5.09. Redemption of Bonds Held by Authority. As long as the Authority is the owner of any of the Series 1987 A Bonds and Series 1987 B Bond outstanding, the City shall not redeem any Series 1987 A Bonds and Series 1987 B Bond outstanding without the written consent of the Authority, and any such redemption of a Series 1987 A Bond and Series 1987 B Bond authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the

applicable water development revenue bonds, the redemption premium payable on the applicable water development revenue bonds redeemable as a consequence of such redemption of Series 1987 A Bonds and Series 1987 B Bond and the costs and expenses of the Authority in effecting any such redemption, all as further prescribed by Section 9.11 of the General Resolution.

Section 5.10. Payment of Program Expenses. As long as the Series 1987 A Bonds and Series 1987 B Bond are held by the Authority, the City agrees to pay from time to time, as required by the Authority, the City's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include without limitation Program expenses and fees paid to the trustee and paying agents for the water development revenue bonds. The City hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

In the event the City defaults in the payment of any fees due to the Authority pursuant to this section, the amount of such default shall bear interest at the rate of 8.375% per annum, from the date of default until the date of the payment thereof.

Section 5.11. Authority Rights on Default. As long as the Authority shall hold the Series 1987 A Bonds or the Series 1987 B Bond, the City hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the City, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Water Development Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System; and the City hereby covenants and agrees that, if the Authority should hereafter have recourse to the rights and powers, the City shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority.

Section 5.12. Authority Approval of Federal Pollution Abatement Assurance. The City hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before hereafter applying for federal financial assistance for pollution abatement.

Section 5.13. Qualified Tax Exempt Obligation Covenants. The City hereby designates the Series 1987 A Bonds and Series 1987 B Bond as qualified tax-exempt obligations as defined in Section 265(6)(3)(B) of the Code. The City further certifies and covenants with the holders of the Series 1987 A

Bonds and Series 1987 B Bond that (i) neither of the Series 1987 A Bonds nor the Series 1987 B Bond is a private activity bond; (ii) neither the City nor any agency, board, subdivision nor other subordinate entity of the City during the calendar year 1987 has designated any tax-exempt obligation issued by the City, or any other agency, board, subdivision or subordinate entity as a qualified tax-exempt obligation; (iii) the City, or any agency, board, subdivision or other subordinate entity of the City, during the calendar year 1987, does not as of the date hereof reasonably anticipate to issue qualified tax-exempt obligations, including 501(c)(3) Bonds but excluding other private activity bonds, in excess of \$10,000,000; and (iv) the City or any agency, board, subdivision, or other subordinate entity of the City will not during the calendar year 1987 designate any additional tax-exempt obligations including qualified 501(c)(3) Bonds but excluding other private activity bonds, as qualified tax-exempt obligations of the City, if the effect of such designation would be to cause the total aggregate amount of qualified tax-exempt obligations of the City or any agency, board, subdivision or subordinate entity of the City issued during calendar year 1987 to exceed \$10,000,000.

Section 5.14. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 8.01 hereof. The proceeds from such sale, mortgage, lease or other disposition of the System immediately shall be remitted to the Bond Commission for deposit in the Sewerage System Sinking Fund, and otherwise as prescribed by Section 8.01. Any balance remaining after such defeasance shall be remitted to the City by the Bond Commission unless necessary for the payment of other obligations of the City payable out of System Gross Revenues. No such sale, lease or other disposition shall be made by the City if the proceeds to be derived therefrom shall be insufficient to defease the pledge created by this Supplemental and Amendatory Ordinance, as provided by Section 8.01 hereof, without the prior approval and consent in writing of the holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of, the Series 1987 A Bonds and 1987 Series B Bond then Outstanding.

Section 5.15. Arbitrage Covenants. The City hereby certifies, and covenants with the holders of the Series 1987 A Bonds and the Series 1987 B Bond that (i) it is a governmental unit with general taxing powers; (ii) the Series 1987 A Bonds and Series 1987 B Bond are not private activity bonds as

defined in Section 141 (a) of the Code; (iii) not less than 95% of the proceeds of the Series 1987 A Bonds and Series 1987 B Bond is to be used for local governmental activities of the City; (iv) the face amount of all tax-exempt bonds other private activity bonds issued or to be issued by the City, or all subordinate entities thereof, during the calendar year 1987 is not as of the date hereof reasonably expected to exceed \$5,000,000 and therefore is eligible for the arbitrage rebate exception for small governmental units provided by Section 148(f)(4)(C) of the Code.

Section 5.16. Reporting Requirements. The City will file all reports or statements necessary to insure the tax-exempt status of the Series 1987 A Bonds and Series 1987 B Bond, including without limitation, the information return required under Section 150(e) of the Code.

Section 5.17. Insurance. The City shall carry with a reputable insurance carrier or carriers such insurance as is customarily carried with respect to works and properties similar to the System, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. In time of war, the City also shall carry such insurance as may be available against loss or damage by the risks and hazards of war. Such insurance at all times shall be maintained in an amount equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System. The proceeds of all such insurance policies shall be placed in the Sewerage System Depreciation Fund and used only for repairs to and restoration of damaged or destroyed properties of the System, or for the other purposes herein for which moneys in the Sewerage System Depreciation Fund may be applied. The City also shall carry liability insurance for injury or damage to persons or property in such amounts as are adequate for such purposes and customarily carried with respect to works and properties similar to the System.

Section 5.18. Service Rendered to the City. The City will not render or cause to be rendered any free services of any nature by the System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed

to be Sewerage System Gross Revenues, as the case may be, and shall be deposited and accounted for in the same manner as other Sewerage System Gross Revenues.

Section 5.19. Enforcement of Collections. The City diligently will enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges as shall become delinquent to the full extent permitted or authorized by the Sewer Act or otherwise by the laws of the State. Subject to applicable State law and regulations, and under such reasonable rules and regulations as may be prescribed by the City, the City shall discontinue both water and sewer service to all delinquent users of sewer service and shall not resume such services until all such delinquent amounts, including reasonable interest and penalty charges, have been paid in full.

Section 5.20. No Competing Franchise. To the extent legally allowable, the City will not grant or cause, consent to, or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 5.21. 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 the Series 1987 A Bonds or the Series 1987 B Bond shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of the State, and the Sewer Act.

The City shall mail in each year to any holder of the Series 1987 A Bonds or the Series 1987 B Bond requesting the same, a statement of System Gross Revenues, System Operating Expenses and System Net Revenues; and balance sheet statement showing all deposits in all the funds and accounts provided for in this Supplemental and Amendatory Ordinance with respect to the System, and the status of all said funds.

The City also, at least once a year, shall cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any holder of the Series 1987 A Bonds or the Series 1987 B Bond, and shall file said report with the Authority. Said reports shall be completed and made available within 120 days following the conclusion of each Fiscal Year. Such audit reports shall include mention of any failure of the City to observe the covenants and duties herein provided.

Section 5.22. Initial Schedule of Rates. The rates, fees and other charges for the use of the services and facilities of the System, established under ordinances enacted by the Council on or before the effective date of this Ordinance and in full force and effect, or ordered by the Public Service Commission of the State, the time for appeal of such rates, fees and other charges having expired, shall constitute the initial schedule, rates, fees and charges to be collected for use of the services and facilities of the System.

Section 5.23. Operating Budget. Annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by the Charter of the City, the City shall prepare and adopt by resolution detailed budgets of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The City shall mail copies of such annual budgets and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and shall make available such budget and all such resolutions at all reasonable times to the Authority and, upon request, to any holder of the Series 1987 A Bonds and the Series 1987 B Bond.

Section 5.24. Mandatory Sewer Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants of, and the economy of, the City and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory serviced by the System. Accordingly, within the geographic limits of the City and subject to applicable State laws and regulations, every owner, tenant and occupant of every lot, parcel and tract of land that abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding two hundred fifty (250) feet, and is reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable

structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewerage lines of such building or structure with the System if sewage will flow by gravity from such building or structure into the System and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the System.

Within the geographic limits of the city and subject to applicable State laws and regulations, any such building or structure from which emanates sewage or water-borne waste matter and is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the City and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 5.25. Concerning Arbitrage and Rebates. The proceeds of sale of the Series A Bonds and the Series B Bond will not be invested in such a way as to violate the requirements of the Code, and 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 Sections 103 and 148 of the Code. No portion of the proceeds of the Series A Bonds and the Series B Bond will be used (directly or indirectly) so as to cause the Series A Bonds or the Series B Bond to be an "arbitrage bond" within the meaning of Sections 103 and 148 of the Code.

Unless otherwise excepted, the City will make, or cause to be made, all rebate calculations and payments in the time, manner and as required in Section 148(f) of the Code. In the event of a failure to pay such amounts, 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 by the Secretary. The City shall maintain and provide the Authority with appropriate records of such computations and payments.

Section 5.26. Private Activity Bond Covenant. The City shall not permit at any time or times any of the proceeds of the Series 1987 A Bonds or the Series 1987 B Bond or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 1987 A Bonds or the Series 1987 B Bond from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986 (including any amendments and successor provisions thereto and the rules and regulations thereunder, the "Code"), by reason of

the classification of the Series 1987 A Bonds or the Series 1987 B Bond as a "private activity bond" within the meaning of the Code. The City will take all actions necessary to comply with the Code to be promulgated thereunder.

## ARTICLE VI

### INVESTMENTS: NON-ARBITRAGE

Section 6.01. Investments. The City shall invest and reinvest, and hereby instructs the Bond Commission and the Depository Bank to invest and reinvest, in Qualified Investments any moneys held as part of the funds and accounts created by this Supplemental and Amendatory Ordinance to the fullest extent possible subject to applicable laws, this Supplemental and Amendatory Ordinance and the need for such moneys for the purposes set forth herein. The City may direct the Bond Commission and the Depository Bank in writing as to what particular permitted investments shall be made.

Except as provided below, any investment shall be held in and at all times be deemed a part of the fund or account in which the moneys and investments are held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the corresponding fund or account. The investments held by the Depository Bank shall be valued as of each January 1 and July 1 at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount; provided, that no investment shall be sold or reduced by reason of the current market value exceeding the cost thereof. Funds in the consolidated fund managed by the West Virginia State Board of Investments shall be valued at par. The Bond Commission or the Depository Bank, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of any loss on such liquidation. The City may invest funds on deposit with the Depository Bank through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, except losses due to its own gross negligence or willful misconduct.

Qualified Investments may be purchased for the respective Sinking Funds, including the accounts therein, and for the Sewerage System Depreciation Fund, either in the open market or from the Bond Construction Trust Fund. If purchased

from the Bond Construction Trust Fund, such Qualified Investments shall be purchased at prices equal to their original purchase prices plus accrued interest.

Qualified Investments acquired for the Sewerage System Depreciation Fund shall mature or be subject to redemption at the option of the holder within three years from the date of such investment.

Qualified Investments acquired for the Bond Construction Trust Fund shall mature or be subject to redemption at the option of the holder within one year from the date of such investment or at such time as funds on deposit in the Bond Construction Trust Fund are scheduled to be applied for the purpose thereof; provided, that the maturities of any Qualified Investments scheduled to be purchased from the Bond Construction Trust Fund for the respective Reserve Accounts or the Sewerage System Depreciation Fund within one year after the purchase thereof for the Bond Construction Trust Fund may exceed one year.

Qualified Investments acquired for the respective Reserve Accounts shall mature or be subject to redemption at the option of the holder within five years from the date of such investment.

Section 6.02. Restrictions as to Arbitrage Bonds.

The City hereby covenants, and hereby instructs the Bond Commission and the Depository Bank, that it shall not permit the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148(a) of the Internal Revenue Code of 1986, as amended. Upon original issuance of any series of Bonds, an Authorized Officer of the City shall certify certain facts and expectations tending to establish that such Bonds are not such arbitrage bonds.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Occurrence of any of the following events shall constitute an "Event of Default" with respect to the Series 1987 A Bonds and Series 1987 B Bond:

A. Default in the due and punctual payment of the principal or, premium, if any, or interest on any of the Bonds;

B. Default in the observance by the City of any of the covenants, agreements or conditions on its part in this Supplemental and Amendatory Ordinance, the Prior Ordinance, or any Supplemental Resolution or in the Bonds contained with respect to the Bonds (except as provided in paragraph A above), and continuance thereof for a period of 30 days after written notice specifying such default and requiring that the same be remedied shall have been given to the City by any holder of the Prior Bonds, Series 1987 A Bonds and Series 1987 B Bond; or

C. The filing by the City of a petition seeking bankruptcy, reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of American or of the State.

Section 7.02. Enforcement. Upon the occurrence and during the continuance of any Event of Default, any holder of the Series 1987 A Bonds and Series 1987 B Bond, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights. Without limiting the generality of the foregoing, the remedies available to a holder of the Series 1987 A Bonds and Series 1987 B Bond shall include any and all remedies set forth in Section 7.02 of the Prior Ordinance.

No remedy by the terms of this Supplemental and Amendatory Ordinance conferred upon or reserved to the holders of the Series 1987 A Bonds and Series 1987 B Bond, is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to any other remedy given to the holders of any Series 1987 A Bonds and Series 1987 B Bond, hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the holders of the Series 1987 A Bonds or Series 1987 B Bond shall extend to or affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.03. Appointment of Receiver. If any Event of Default shall have occurred and be continuing, in addition to all other remedies or rights, any holder of the Series 1987

A Bonds and Series 1987 B Bond, shall have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of, premium, if any, and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses, and to apply such rates, rentals, fees, charges and any other Gross Revenues in conformity with the provisions of this Supplemental and Amendatory Ordinance and the Water Development Act.

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

Whenever all that is due upon the Series 1987 A Bonds and Series 1987 B Bond, and interest thereon, if any, and under any covenants of this Supplemental and Amendatory Ordinance for the funds and accounts hereby established, and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Net Revenues, shall have been paid and made good, and all defaults under the provisions of this Supplemental and Amendatory Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent Event of Default, any holder of the Series 1987 A Bonds and Series 1987 B Bond, shall have the same right to secure the further appointment of a receiver.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and first the holder of the Series 1987 A Bonds and second the holder of the Series 1987 B Bond. Such receiver shall have no power to sell,

assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System and the collection of rates and charges related to the services provided by the System, for the sole purpose of the protection of both the City and first the holders of the Series 1987 A Bonds and second the holder of the Series 1987 B Bond, and the curing and making good of any Event of Default under the provisions of this Supplemental and Amendatory Ordinance, and the title to and ownership of the System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 7.04. Restoration of City and Holder of the Bonds. In case any holder of the Series 1987 A Bonds or Series 1987 B Bond shall have proceeded to enforce any right under this Supplemental and Amendatory Ordinance by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the claims of such holder of the Series 1987 A Bonds and Series 1987 B Bond, then and in every such case the City and such holder shall be restored to their former positions and rights hereunder, and all rights and remedies of such holders of the Series 1987 A Bonds and Series 1987 B Bond, shall continue as if no such proceedings had been taken, subject to such adverse determination as the court in such proceedings shall have made.

#### ARTICLE VIII

##### REGISTRAR; PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar of the Series 1987 A Bonds and Series 1987 B Bond shall be appointed by the enactment of a Supplemental Resolution.

#### ARTICLE IX

##### DEFEASANCE; DISCHARGE OF PLEDGE

Section 9.01. Defeasance; Discharge of Pledge. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the holders of the Series 1987 A Bonds,

the principal of, premium, if any, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Supplemental and Amendatory Ordinance, then this Supplemental and Amendatory Ordinance and the pledges of Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the holders of the Series 1987 A Bonds, made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

If the City shall pay or cause to be paid, or there shall otherwise be paid, to the holder of the Series 1987 B Bond, the principal of, premium, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Supplemental and Amendatory Ordinance, then this Supplemental and Amendatory Ordinance and the pledges of Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the holder of the Series 1987 B Bond, made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 A Bonds and Series 1987 B Bond, for the payment of which either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of, premium, if any, and interest on such Series 1987 A Bonds and Series 1987 B Bond, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. Prior to the maturity thereof all Series 1987 A Bonds and Series 1987 B Bond, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if there shall have been deposited with the Bond Commission or irrevocably in trust with the Depository Bank, as the case may be, either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which, when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or the Depository Bank, as the case may be, at the same or earlier time will be sufficient, to pay when due the principal of, premium, if any, and interest due and to become due on the Series 1987 A Bonds and Series 1987 B Bond, on and prior to the maturity date thereof. Neither Government Obligations nor moneys deposited with the Bond Commission or the Depository Bank, as the case may be, pursuant to this Section, nor principal or interest payments on any such Government

Obligations, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on the Series 1987 A Bonds and Series 1987 B Bond; provided, that any cash received from such principal or interest payments on such Government Obligations deposited with the Bond Commission or the Depository Bank, as the case may be, if not then needed for such purpose, to the extent practicable shall be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest, if any, to become due on the Series 1987 A Bonds and Series 1987 B Bond, on and prior to the maturity dates thereof.

## ARTICLE X

### MISCELLANEOUS

Section 10.01. Amendment of Supplemental and Amendatory Ordinance. No amendment or modification to this Supplemental and Amendatory Ordinance or to any Supplemental Resolution which is materially adverse to the holder of any Series 1987 A Bond and Series 1987 B Bond, may be made without the prior written consents, filed with the City Clerk of the City before any such modification or amendment may be made, of the holders of sixty percent in aggregate principal amount of the Series 1987 A Bonds and Series 1987 B Bond, then outstanding. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of, premium, if any, or interest on, any Series 1987 A Bond or Series 1987 B Bond, without the express written consent of the holders of such Series 1987 A Bond or Series 1987 B Bond, nor reduce the percentage of Series 1987 A Bonds or Series 1987 B Bond, required for consent to any such modification or amendment.

Section 10.02. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the City, the Registrar or the Depository Bank shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

A. The City:

City of Williamstown  
Williamstown, West Virginia 26187  
Attention: Mayor

B. Registrar - As shall be set out in a  
Supplemental Resolution

Any party listed above may change the address given for it at any time upon written notice thereof sent by United States mail, postage prepaid, to the other parties.

Section 10.03. Severability of Invalid Provisions.  
If any section, paragraph, clause or provision of this Supplemental and Amendatory Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Supplemental and Amendatory Ordinance.

Section 10.04. Table of Contents and Headings. The Table of Contents and headings of the articles and sections 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 10.05. Effective Date. This Supplemental and Amendatory Ordinance shall take effect immediately upon enactment.

ARTICLE XI

REPEAL

Section 11.01. Repeal of Former Ordinance. The Ordinance of the City adopted on second reading on April 7, 1987 entitled "An Ordinance Authorizing the Refunding of the Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, of the City of Williamstown, West Virginia through the Issuance by the City of Williamstown, West Virginia of Waterworks Refunding Revenue Bonds, Series 1987, in Aggregate Principal Amount of Not More Than \$59,000 and Sewerage System Refunding Revenue Bonds, Series 1987 in the Aggregate Principal Amount of Not More Than \$59,000; Providing for the Rights and Remedies of, and the Security For, the Registered Owners of Such Waterworks Revenue Bonds and Sewerage System Revenue Bonds; Providing for the Severing of the Combined Waterworks and Sewerage System of the City of Williamstown into a Separate Waterworks System of the City of Williamstown and a Separate Sewerage System of the City of Williamstown; Continuing the Sanitary Board and Enacting Other Provision Relating Thereto", is hereby repealed.

EXHIBIT A

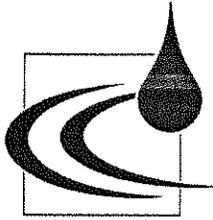
[Description of the Project]

The construction of a secondary sewer treatment plant, and the necessary appurtenances thereto, to augment its present primary treatment at Williamstown, Wood County, West Virginia.

4325P







WEST VIRGINIA

**Water Development Authority**

*Celebrating 31 Years of Service 1974 - 2005*

June 2, 2005

THE CITY OF WILLIAMSTOWN

Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of the certified public accountant of the Issuer, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Series 1987 A Bonds; Series 1987 A-1 Bonds, and the Series 1987 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program) (the "Bonds"), in the original aggregate principal amount of \$230,282, by The City of Williamstown (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Sewerage System Revenue Bond, Series 1987 A (the "Series 1987 A Bonds") and the Sewerage System Revenue Bond, Series 1987 A-1 (the "Series 1987 A-1 Bonds") and senior and prior, with respect to liens, pledge and source of and security for payment, to the Issuer's Sewerage System Revenue Bond, Series 1987 B (the "Series 1987 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: *Daniel B. Gomboski*  
Its: Authorized Representative



CC: 000 D559

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\* 3 B O O 2 GP09313204 5757



**INSURANCE  
POLICY  
EXCLUSIVELY  
FOR  
PUBLIC ENTITIES**

POLICY INFORMATION

The St Paul

THIS IS NOT A BILL.

YOUR POLICY IS DIRECTLY BILLED. IF THIS IS A POLICY CHANGE, THE ADDITIONAL OR RETURN PREMIUM WILL BE SHOWN ON FUTURE INSTALLMENT BILLINGS. IF ALL INSTALLMENTS HAVE BEEN BILLED, THE PREMIUM CHANGE WILL BE BILLED OR CREDITED PROMPTLY. A BILL WILL BE SENT TO:  
THE INSURED

Company: ST. PAUL FIRE & MARINE INSURANCE COMPANY

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U CITY OF WILLIAMSTOWN  
R 100 WEST 5TH STREET  
E WILLIAMSTOWN WV 26187  
D

Policy Inception/Effective Date: 10/01/04  
Policy Number: GP09313204  
Agency Number: 4701292

Transaction Type:  
RENEWAL OF POLICY  
Transaction number: 001  
Processing Date: 10/12/04 09:27

A ACORDIA OF WEST VIRGINIA INC  
G P.O. BOX 1551  
E CHARLESTON WV 25326  
N  
T

Policy Number	Description	Amount	Surtax/ Surcharge
GP09313204	RENEWAL PREMIUM	\$52,792.00	
GP09313204	WEST VIRGINIA FIRE AND CASUALTY SURCHRG		\$494.02

THE PREMIUM SHOWN DOES NOT INCLUDE A PREMIUM PAYMENT PLAN SERVICE CHARGE. IF YOU SELECTED A PREMIUM PAYMENT PLAN YOUR PAYMENT SCHEDULE/BILL WILL SHOW THIS CHARGE.

THIS POLICY IS ON A FOUR PAY PAYMENT PLAN. A PAYMENT SCHEDULE/BILL WILL FOLLOW SHORTLY.

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001: 000 T: 001  
\* M: 00 I: 000 T: 001  
\* 2 0 0 0 2 GP09313204 5715

**POLICY INFORMATION**

The **St Paul**

**THIS IS NOT A BILL.**

**YOUR POLICY IS DIRECTLY BILLED. IF THIS IS A POLICY CHANGE, THE ADDITIONAL OR RETURN PREMIUM WILL BE SHOWN ON FUTURE INSTALLMENT BILLINGS. IF ALL INSTALLMENTS HAVE BEEN BILLED, THE PREMIUM CHANGE WILL BE BILLED OR CREDITED PROMPTLY. A BILL WILL BE SENT TO:  
THE INSURED**

**Company: ST. PAUL FIRE & MARINE INSURANCE COMPANY**

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D**  
CITY OF WILLIAMSTOWN  
100 WEST 5TH STREET  
WILLIAMSTOWN WV 26187

**Policy Inception/Effective Date: 10/01/04  
Policy Number: GP09313204  
Agency Number: 4701292**

**Transaction Type:  
RENEWAL OF POLICY  
Transaction number: 001  
Processing Date: 10/12/04 09:27**

**A  
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T**  
ACORDIA OF WEST VIRGINIA INC  
P.O. BOX 1551  
CHARLESTON WV 25326

Policy Number	Description	Amount	Surtax/ Surcharge
GP09313204	RENEWAL PREMIUM	\$52,792.00	
GP09313204	WEST VIRGINIA FIRE AND CASUALTY SURCHRG		\$494.02

THE PREMIUM SHOWN DOES NOT INCLUDE A PREMIUM PAYMENT PLAN SERVICE CHARGE. IF YOU SELECTED A PREMIUM PAYMENT PLAN YOUR PAYMENT SCHEDULE/BILL WILL SHOW THIS CHARGE.

THIS POLICY IS ON A FOUR PAY PAYMENT PLAN. A PAYMENT SCHEDULE/BILL WILL FOLLOW SHORTLY.

**DISCLOSURE NOTICE  
TERRORISM RISK INSURANCE ACT OF 2002**

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The certified acts of terrorism premium charge shown below is for coverage under this policy for insured losses covered by the Terrorism Insurance Program established by the Terrorism Risk Insurance Act of 2002 (the Act). That Program applies to certain losses, if otherwise covered by your policy, that result from an "act of terrorism," as that term is defined in and certified under the Act (insured losses). This terrorism premium does not include any charges for the portion of insured losses covered by the Federal Government under the Act. The Federal Government shares in the payment of insured losses under the Act, and the amount of its share is 90% of such losses that exceed the applicable insurer deductible.

If \$0 is shown below for the certified acts of terrorism premium charge, this policy provides such terrorism coverage for no premium charge.

The certified acts of terrorism premium charge shown below does not apply to any insuring agreement or coverage part in this policy for which you did not accept our offer, for a premium charge, of such terrorism coverage. If you did not accept our offer of such terrorism coverage, this policy contains one or more exclusions that apply to certified acts of terrorism under each such insuring agreement or coverage part.

The Act establishes a cap on our liability to pay for insured losses if the aggregate amount of insured losses under the Act exceeds \$100,000,000,000 during the applicable period for all insureds and all insurers combined. In that case, we will not be liable for the payment of any amount that exceeds such aggregate amount of \$100,000,000,000.

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**Name of Insured:** CITY OF WILLIAMSTOWN

**Policy Number:** GP09313204

**Effective Date:** 10/01/04

**Certified Acts Of Terrorism Premium Charge:** \$484.00

**Processing Date:** 10/12/04 09:27 001

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**NOTICE OF COVERAGE CHANGE****FOR****CRIME INSURING AGREEMENTS**

**Important note:** We have made changes in coverage from your previous policy by changing certain insuring agreements. Please read your policy carefully. The changes are briefly described in this notice so that you can more easily compare your new policy to your old policy.

We've changed the following insuring agreements. Since one of these insuring agreements is included in your policy, we've briefly described the changes in this notice so that you can more easily compare your new policy to your old policy.

- Crime Protection - Discovery Form (C0020 Rev. 4-03)
- Crime Protection - Loss Sustained Form (C0021 Rev. 4-03)
- Government Crime Protection - Discovery Form (C0022 Rev. 4-03)
- Government Crime Protection - Loss Sustained Form (C0023 Rev. 4-03)

**Changes That Broaden Coverage****Funds Transfer Fraud**

You now have the option to purchase this coverage. The coverage provides for loss of money and securities resulting directly from a fraudulent instruction that directs a financial institution to transfer, pay, or deliver money and securities from your transfer account.

**Loss Outside Your Building**

Added other property to the Loss Outside Your Building coverage option, eliminating the need for a separate endorsement.

**Additional Sections Added****Property Covered**

Added Property Covered section to clarify the type of property covered under the crime insuring agreement.

**Definitions Added Or Changed**

**Employee.** Leased workers, temporary workers, consultants and interns are now considered employees subject to certain conditions described in your agreement.

**Theft.** Revised the definition to clarify our intent.

Added definitions for the following terms to clarify our intent.

- Leased worker
- Employee leasing firm
- Temporary worker
- Consultant

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**Special Notice for Policies Issued or Delivered in the State of Wisconsin:**

In accordance with Wisconsin Statute Section 631.36(5)(a), if this notice is mailed or delivered to you within 60 days of the renewal date of the policy, you may elect to cancel the renewal policy at any time during a 60-day period which begins on the date this notice is mailed or delivered.

**Special Notice for Property Policies Issued or Delivered in the State of Missouri:**

In accordance with Missouri Regulation 20 CSR 500-1.100(3)(A), this additional information is being provided to you. If you wish to secure coverages from another insurance carrier, contact your agent or broker immediately. You or your agent or broker may also apply to the Missouri Property Insurance Placement Facility for insurance coverages. Application may be made by mail or in person to the following address:

Missouri Property Insurance Placement Facility  
906 Olive Street, Suite 1000  
St. Louis, Missouri 63101  
Phone (314) 421-0170

Any excess premium must be refunded within thirty (30) days.

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This notice does not replace or add to the terms of your policy. You should contact your agent or broker if you have any questions about this notice or the endorsement described above.



**NOTICE OF COVERAGE CHANGE  
FOR  
FAITHFUL PERFORMANCE OF DUTY COVERAGE ENDORSEMENT - GOVERNMENT EMPLOYEES**

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**Important note:** We have made changes in coverage from your previous policy by changing certain endorsements. Please read your policy carefully.

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We've changed the following endorsement. We've briefly described the changes in this notice so that you can more easily compare your new policy to your old policy.

- Faithful Performance Of Duty Coverage Endorsement - Government Employees (C0042 Rev. 4-03)

**ADDITIONAL SECTIONS ADDED**

**Faithful performance of duties.** Added clarification that:

- this coverage is added to either the Employee Theft - Per Loss Coverage, or the Employee Theft - Per Employee Coverage;
- this endorsement covers loss or damage to money, securities or other property; and
- faithful performance of duties coverage applies to such loss caused by failure of any employee to faithfully perform their duties as directed by your policies and procedures even if such failure is caused by a criminal act committed by a person who's not an employee.

**DEFINITIONS ADDED**

Added definitions for the following terms:

- law enforcement activities or operations
- tortious conduct

**CHANGES TO RULES SECTIONS**

**Cancellation.** Added section to the Employees paragraph of the Cancellation rule with respect to Faithful Performance Of Duties in the Employee Theft - Per Loss Coverage, or the Employee Theft - Per Employee Coverage. This change explains when coverage can be cancelled for certain employees.

**Special Notices**

**Special Notice for Policies Issued or Delivered in the State of New York:**

In accordance with New York Statute Section 3426(g), you are entitled to loss information upon written request, which we will furnish within 20 days of receipt of such request.

**Special Notice for Policies Issued or Delivered in the State of Wisconsin:**

In accordance with Wisconsin Statute Section 631.36(5)(a), if this notice is mailed or delivered to you within 60 days of the renewal date of the policy, you may elect to cancel the renewal policy at any time during a 60-day period which begins on the date this notice is mailed or delivered.

**Special Notice for Property Policies Issued or Delivered in the State of Missouri:**

In accordance with Missouri Regulation 20 CSR 500-1.100(3)(A), this additional information is being provided to you. If you wish to secure coverages from another insurance carrier, contact your agent or broker immediately. You or your agent or broker may also apply to the Missouri Property Insurance Placement Facility for insurance coverages. Application may be made by mail or in person to the following address:

Missouri Property Insurance Placement Facility  
906 Olive Street, Suite 1000  
St. Louis, Missouri 63101  
Phone (314) 421-0170

Any excess premium must be refunded within thirty (30) days.

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**This notice does not replace or add to the terms of your policy. You should contact your agent or broker if you have any questions about this notice or the endorsement described above.**

**PUBLIC SECTOR SERVICES**  
**NOTICE OF CHANGES IN AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE**  
**EARNED PREMIUM CALCULATION**

**Average Rate Plan**

The premium for Auto Liability and Auto Physical Damage is composite rated. Auto Liability is rated on a per unit basis and Auto Physical Damage is rated on the basis of the original cost new of the vehicle. The composite rates for the policy term are those in effect on the effective date of the policy.

The premium charged as a deposit is an estimated annual premium based on the number of units and total original cost new for all covered autos on file with us as of the effective date of the policy.

At the expiration of the policy period, you are required to submit a current schedule of owned automobiles as of the expiration date of the policy.

The total earned premium will be calculated on the basis of the average net change in units and their original cost new for the policy term.

*Average net change for auto liability* is calculated as follows:

$$\frac{(\text{Number of autos as of the expiration date of the policy} \\ - \text{Number of autos as of the inception date of the policy})}{2}$$

2

*Average net change for auto physical damage* is calculated as follows:

$$\frac{(\text{Total original cost new for all autos as of the expiration date of the policy} \\ - \text{Total original cost new for all autos as of the inception date of the policy})}{2}$$

2

The average net change in units and their original cost new is then applied to the composite rate to determine the additional or return premium amount.

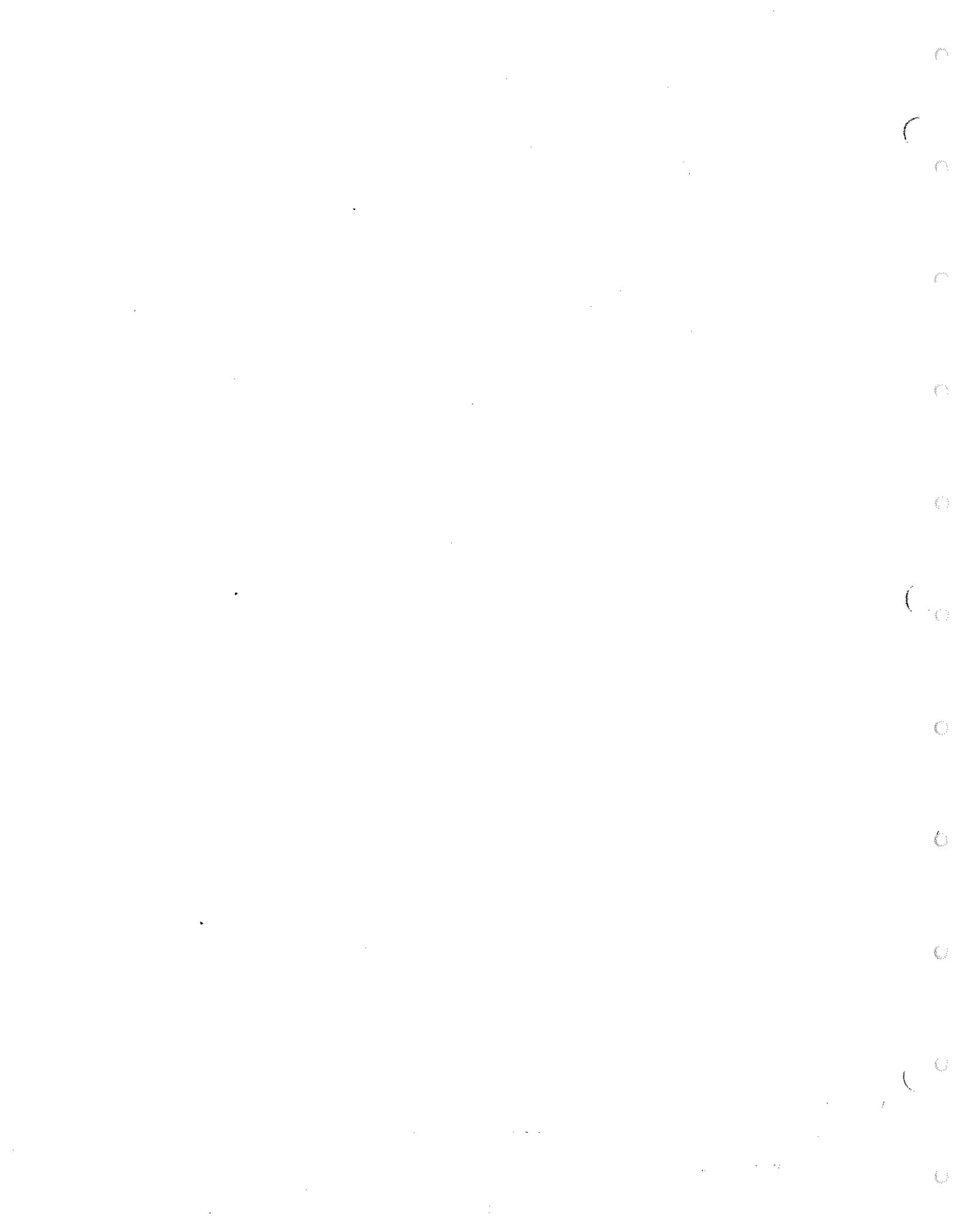
Any new autos that you own after the inception date of the policy will be subject to the same limits and deductibles as autos of the same type that were owned at the inception date of the policy.

The following autos are not eligible for inclusion in this plan:

- Any vehicle with an original cost new over \$100,000
- Any antique auto

*Antique auto* means an auto that is:

- twenty-five years old or more;
- maintained primarily for use in exhibitions, club activities, parades, and other functions of public interest; and
- occasionally used for other purposes.



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**INTRODUCTION**

This policy protects against a variety of losses. There are also some restrictions. We've written this policy in plain, easy-to-understand English. We encourage you to read it carefully to determine what is and what is not covered, as well as the rights and duties of those protected.

Policy Number: GP09313204

SAN ANTONIO  
#105  
2700 N.E. LOOP 410  
SAN ANTONIO TX 78217

In return for your premium, we'll provide the protection stated in this policy.

Your policy is composed of General Rules, an explanation of What To Do If You Have A Loss, one or more Coverage Summaries, and one or more Insuring Agreements explaining your coverage. It may also include one or more endorsements. Endorsements are documents that change your policy. The Policy Forms List shows all the forms included when this policy begins.

We, us, our, and ours mean **St. Paul Fire and Marine Insurance Company**. We're a capital stock company located in St. Paul, Minnesota.

One of our authorized representatives will also countersign the policy.

The words you, your, and yours mean the insured named here, which is a

MUNICIPALITY  
CITY OF WILLIAMSTOWN  
100 WEST 5TH STREET  
WILLIAMSTOWN WV 26187

This policy will begin on 10/01/04 and will continue until 10/01/05

Your former policy number is automatically replaced: GP09311444

Your premium for the policy period shown is: \$53,286.02

However, please refer to the Premiums section of the General Rules to see how final premiums are determined.

WEST VIRGINIA FIRE AND CASUALTY SURCHARGE \$494.02

Our authorized representative is:  
4701292  
ACORDIA OF WEST VIRGINIA INC  
P.O. BOX 1551  
CHARLESTON WV 25326

*Jay S. Fishman*  
President

Authorized Representative

Date

*[Signature]* 10/18/04

*[Signature]*  
Secretary

Processing Date 10/12/04 09:27 001



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**POLICY FORM LIST**

The **St Paul**

Here's a list of all forms included in your policy, on the date shown below. These forms are listed in the same order as they appear in your policy.

Title	Form Number	Edition Date
Disclosure Notice Terrorism Risk Insurance Act Of 2002	D0100	03-03
Introduction - St. Paul Fire And Marine Insurance Company	40800	05-87
Policy Form List	40705	05-84
General Rules	40701	08-03
West Virginia Required Endorsement	40545	08-03
Public Entity General Liability Protection Commercial	D0020	10-97
General Liability Protection Reference Endorsement		
Commercial Auto Required Endorsement - West Virginia	44352	06-03
What To Do If You Have A Loss	40814	08-03
Property Protection Coverage Summary	42563	07-96
Property Protection Coverage Summary Continued - Equipment	F0231	04-99
Breakdown Coverage		
The St. Paul Property Protection	42700	07-01
PSS Property Protection Additional Benefits Coverage	F0122	07-01
Summary		
Equipment Breakdown Endorsement	F0230	04-99
PSS Public Entity Property Endorsement	F0102	04-99
Mold Or Bacteria Exclusion Endorsement With Limited	F0286	10-02
Additional Coverages		
Valuable Papers Coverage Summary	42619	07-90
Valuable Papers Protection	42618	07-90
Contractor's Equipment Protection Coverage Summary	I0006	11-95
Contractor's Equipment Protection	I0005	11-95
Protection For Miscellaneous Property	42038	02-83
Who We'll Pay For Loss	42013	06-82
Mold Or Bacteria Exclusion With Named Perils Exception	I0091	04-02
Endorsement		
Public Entity General Liability Protection Coverage Summary	G0208	10-97
Public Entity General Liability Protection	G0209	10-02
PSS Excluded Operations And Premises Endorsement	G0540	10-02
PSS Injury Or Damage Deductibles Endorsement	47371	10-02
Medical Expenses Exclusion Endorsement	G0167	06-96
Mold, Other Fungi, Or Bacteria Exclusion Endorsement	G0492	04-02
Professional Services Endorsement - Emergency Medical	G0525	11-02
Technicians		
Stop-Gap Employers Liability Protection Coverage Summary	L0304	06-99
Stop-Gap Employers Liability Protection	L0303	06-99
West Virginia Stop-Gap Employers Liability Broadening	L0306	06-99
Endorsement		
Employee Benefit Plans Administration Liability Protection	43532	01-96
-Claims-Made Coverage Summary		
Employee Benefit Plans Administration Liability Protection	43475	01-96
-Claims-Made		
Employment-Related Practices Exclusion Endorsement -	L0436	09-01
Employee Benefit Plans Administration Liability		
Public Entity Employment Practices Liability Protection -	L0397	01-01

**Name of Insured** CITY OF WILLIAMSTOWN      **Policy Number** GP09313204      **Effective Date** Processing Date 10/12/04 09:27 001

Claims-Made Coverage Summary		
Public Entity Employment Practices Liability Protection - Claims-Made	L0394	01-01
Our Right To Settle Claims Without Your Written Consent	L0349	01-01
Endorsement - Public Entity Employment Practices Liability		
Law Enforcement Liability Protection Coverage Summary	47335	10-02
Law Enforcement Liability Protection	47292	10-02
Mold, Other Fungi, Or Bacteria Exclusion Endorsement - Law	L0473	08-02
Enforcement Liability		
Public Entity Management Liability Protection - Claims-Made Coverage Summary	47336	01-01
Public Entity Management Liability Protection - Claims-Made	47279	01-01
PEML - Our Right To Settle Claims Without Your Written Consent Endorsement	L0184	01-01
Auto Coverage Summary	44460	04-91
Auto Coverage Summary - Continued	44462	04-91
Auto Schedule	44463	04-91
Auto Liability Protection	44449	12-93
Volunteer or Employee Firefighters As Protected Persons Endorsement	A0018	08-95
PSS Public Entity Auto Liability Endorsement	A0130	10-98
PSS Fire District Auto Physical Damage Endorsement	A0132	10-98
Autos Rented By Employees Endorsement	A0173	12-99
PSS Auto Physical Damage Agreed Value Endorsement	A0133	10-98
Uninsured And Underinsured Motorists Protection - West Virginia	44095	04-01
West Virginia Auto Medical Payments Protection	A0135	08-98
Auto Physical Damage Protection	44455	07-96
PSS Public Entity Auto Physical Damage Endorsement	A0131	10-98
Government Crime Protection Coverage Summary	C0025	04-03
Government Crime Protection - Discovery Form	C0022	04-03
Faithful Performance of Duty Coverage Endorsement - Government Employees	C0042	04-03

**GENERAL RULES**

This form contains various rules that apply to your policy. It and the rest of your policy should be read carefully to determine:

- the extent of the coverage provided by your policy; and
- the rights and duties of you and any other person or organization protected under your policy.

**Table of Contents**

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Special Rights And Duties Of The First Named Insured	1	Insuring agreements or endorsements in your policy begin on your policy's effective date at 12:01 a.m. at the address shown for you in the Introduction of your policy. But if your policy replaces a policy that ends at noon, rather than 12:01 a.m., coverage under your policy begins on your policy's effective date at noon at such address.
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Recovering Damages From A Third Party	5	<b>Policy Changes</b>
Appraisal Of A Covered Loss Amount In Dispute Under Property Or Other First-Party Protection	5	Your policy contains all of the agreements between you and us concerning the coverage provided by your policy and can be changed only as described in this rule.
Bankruptcy Or Insolvency Of Any Person Or Organization Protected Under Liability Protection	6	
How Statutory Or Regulatory Law Affects Your Policy	6	We can make changes in our standard insurance policy forms from time to time. Such changes must conform to applicable law and may be filed with insurance regulatory authorities for approval.

**Special Rights And Duties Of The First Named Insured**

When more than one insured is named in the Introduction of your policy, the first named insured has special rights and duties. Those rights and duties are explained in the following General Rules:

- Cancellation.
- Policy Changes.
- Premiums.

If we make any such change, while your policy is in effect, that:

- would broaden or extend the coverage your policy provides; and
  - can be legally added to your policy without increasing your premium;
- you'll automatically receive the benefit of the broadened or extended coverage beginning at:
- 12:01 a.m.; or

• noon, if coverage under your policy otherwise begins at that time;  
on the effective date of the change at the address shown for you in the Introduction of your policy.

If we make any such change before your policy begins and that change still applies to a standard insurance policy form which:

- is part of your policy when your policy begins; or
- is made part of your policy after your policy's effective date;

you'll automatically receive the benefit of that broadened or extended coverage beginning at the time and on the effective date that form is, or is made, part of your policy.

We don't have to provide any written notice, or a written form that's made part of your policy, for you to receive such benefits.

We can make other changes in your policy and, with our consent, the first named insured can make changes in your policy too. But such changes can be made only with a written form that:

- is made part of your policy; and
- is signed by us or one of our authorized representatives.

### **Premiums**

We compute the premium for your policy in accordance with our rules and rates which apply to your policy.

**Estimates.** All or part of your premium may be based on estimates.

If estimates are used, your policy will contain an endorsement, summary, or other form that shows:

- we used estimates; and
- when and how we'll compute your actual premium.

We'll compute your actual premium, when complete information is available, at the end of:

- the policy period;
- each one-year period that's part of the policy period, if the policy period is longer than one year; and
- any interim audit period that's shorter than one year, if an interim audit period applies during the policy period.

For each such period, we'll compute your actual premium in accordance with our rules and rates which apply to your policy and for that period.

If your actual premium is:

- more than the estimated premium you've paid, you'll owe us the difference; or
  - less than the estimated premium you've paid, we'll return the difference;
- except as described in the Additional or return premium section.

You must keep accurate records of the information we'll need to compute your actual premium. Your agent or broker can explain the type of records we'll need. The first named insured must mail, deliver, or otherwise give to us a copy of those records when we request them.

However, we don't have to request or use any records to compute your actual premium if we determine, in accordance with our rules and rates which apply to your policy, that your premium based on estimates is your actual premium.

**Additional or return premium.** We or your agent or broker will tell the first named insured about any additional or return premium for your policy.

However, we won't charge an additional premium, or refund a return premium, for any difference in premium of \$15 or less that results from:

- your actual premium being more or less than the estimated premium you've paid; or
- any change made in your policy, including any cancellation of all or part of your policy by you or us.

But we'll refund a return premium of \$15 or less for your policy if the first named insured requests that we do so. We'll apply this rule for waiving additional or return premiums separately each time your policy is changed.

In any event, your policy premium won't be less than the minimum policy premium we're allowed to charge in accordance with our rules and rates which apply to your policy.

**Your bill.** The first named insured:

- will be the one we'll bill for all premiums for your policy;
- is responsible for paying all premiums for your policy when due; and

- will be the one to whom we'll pay any return premium for your policy.

The due date for each premium owed us for your policy is the date shown as the due date on your bill for that premium.

If the first named insured is also the first named insured under:

- any other policy with us; or
- any policy with any of our affiliated insurance companies;

we may bill, under one statement, the premium for:

- your policy; and
- any or all of those other policies; regardless of their type, what they cover, or their policy periods.

If we bill the premium for such policies under one statement:

- we may adjust your bill under that statement to reflect the total of any additional or return premium for any or all of those policies;
- we'll apply any partial payment of the minimum premium due under your bill proportionately to each of those policies unless the first named insured requests at the time of such payment that we apply it differently; and
- for any of those policies with a return premium, the first named insured may request that we refund such premium with a separate payment.

### **Our Right To Inspect And Audit**

You must allow us to inspect your property and operations during normal business hours while your policy is in effect.

However, we aren't required to:

- make any such inspection; or
- guarantee that your property or operations are safe, or conform to any code, law, regulation, or standard;

except as required by any applicable state or municipal code, law, regulation, or standard for the certification of boilers, pressure vessels, or elevators.

This rule also applies to any person or organization that makes insurance inspections, surveys, reports, or recommendations for us.

You also must allow us to examine, audit, and make copies of your financial books and records that relate to the coverage provided by your policy at any time up to three years after your policy ends.

### **Cancellation**

**By the first named insured.** The first named insured can cancel all or part of your policy at any time before your policy's expiration date with an advance notice of cancellation to us or one of our authorized representatives.

To cancel, the first named insured:

- must deliver to us or one of our authorized representatives; or
- must mail to us, if such delivery isn't possible;

your policy, or the part of your policy to be canceled, and must provide the date the cancellation will be effective.

**By us.** We can cancel all or part of your policy at any time before your policy's expiration date.

If we cancel, the first named insured:

- is responsible for receiving the cancellation notice from us for you; and
- will be the one to whom we'll mail or deliver the cancellation notice.

Also, we'll mail or deliver the cancellation notice to the first named insured at least:

- 10 days, if we're canceling for nonpayment of premium; or
- 30 days, if we're canceling for any other reason;

before the date the cancellation will be effective.

If the cancellation notice is mailed, proof of mailing to the first named insured's last mailing address known to us will be considered proof that the first named insured received such notice.

**Return premium.** We'll compute, in accordance with our rules and rates which apply to your policy, the cancellation return premium, if any, on a pro rata basis. But for a cancellation by the first named insured, we may compute any such premium on less than a pro rata basis.

As soon as possible, we'll refund any cancellation return premium, except as

described in the Additional or return premium section of the Premiums section, to the first named insured.

However, the cancellation will be effective regardless of whether or not we've made or offered such a refund.

### **Fraud And Misrepresentation**

**If you commit fraud or misrepresentation.** If, before or after a loss, you:

- hide any important information from us;
  - mislead, lie to, or defraud us; or
  - attempt any such actions;
- about any matter concerning the coverage provided by your policy, we can consider your policy to be void for you and all other persons and organizations protected under your policy.

We'll consider such fraud or misrepresentation committed by any of the following to also be committed by you:

- Your spouse if you're an individual.
- Any of your partners or co-venturers, or their spouses, if you're a partnership or joint venture.
- Any of your members or managers if you're a limited liability company.
- Any of your trustees if you're a trust.
- Any of your shareholders if you're a professional association.
- Any of your appointed or elected officials if you're a public entity or tribal government.
- Any of your directors or executive officers if you're a corporation or an other organization.

**If other persons or organizations commit fraud or misrepresentation.** If, before or after a loss, any person or organization protected under your policy, other than you and the persons and organizations described in the last paragraph of the If you commit fraud or misrepresentation section:

- hides any important information from us;
  - misleads, lies to, or defrauds us; or
  - attempts any such actions;
- about any matter concerning the coverage provided by your policy, we can consider your policy to be void for only that person or organization.

We'll consider such fraud or misrepresentation committed by any of the

following to also be committed by any such organization protected under your policy:

- Any of its partners or co-venturers if that organization is a partnership or joint venture.
- Any of its members or managers if that organization is a limited liability company.
- Any of its trustees if that organization is a trust.
- Any of its shareholders if that organization is a professional association.
- Any of its appointed or elected officials if that organization is a public entity or tribal government.
- Any of its directors or executive officers if that organization is a corporation or an other organization.

**Unintentional errors or omissions.** We won't consider errors or omissions that are unintended by:

- you; and
- all other persons and organizations protected under your policy that are described in the last paragraph of the If you commit fraud or misrepresentation section and commit such errors or omissions;

to be fraud or misrepresentation as described in that section.

Also, we won't consider errors or omissions that are unintended by:

- all other persons and organizations protected under your policy; and
- all persons and organizations described in the last paragraph of the If other persons or organizations commit fraud or misrepresentation section;

that commit such errors or omissions to be fraud or misrepresentation as described in that section.

### **Assignments And Transfers**

Neither you nor any other person or organization protected under your policy can assign, transfer, or otherwise turn over, your interest in it without consent from us in a written form that's made part of your policy.

However, if you're an individual named insured and you die:

- your legal representatives will have your rights and duties under your policy, but only while acting within the scope of their duties as your legal representatives; and

- until such legal representatives are appointed, any person or organization that properly has temporary custody of your property will have your rights and duties concerning that property under your policy.

### Lawsuits Against Us

No person or organization can sue us to recover under your policy unless all of your policy's terms have been fully complied with.

**If your policy provides property or other first-party protection.** Any suit to recover on a loss under any property or other first-party protection provided by your policy must begin within two years after the date on which the direct physical loss or damage occurred to the property that's required to sustain such loss or damage for the loss to be covered under that protection.

**If your policy provides liability protection.** No person or organization can sue us to recover on a loss under any liability protection provided by your policy until the amount of the liability of a person or organization protected for that loss under your policy has been finally decided either by a judgment or by a written agreement signed by:

- us;
- the person or organization protected under your policy; and
- the person or organization making a claim or bringing a suit for the loss.

Once liability has been so determined, that person or organization making the claim or bringing the suit may be able to recover under your policy, up to the limit of coverage that applies. But such person or organization can't sue us directly or join us in a suit against that person or organization protected under your policy until liability has been so determined.

### Recovering Damages From A Third Party

You or other persons or organizations protected under your policy may also be able to recover from others all or part of any loss for which we make a payment.

Any such right of recovery, and the proceeds of any settlement or judgment that may result from the exercise of that right, belongs to us.

For that reason, you and all other persons and organizations that:

- are protected under your policy; and
- are, or may be, involved in a loss for which we make, or may make, a payment; must do all that's possible after the loss to:
  - preserve for us any such right of recovery or any such proceeds; and
  - cooperate with us in any attempt to exercise any such right of recovery.

However, before any loss, you or any other person or organization protected under your policy may waive its right of recovery for the loss without our consent.

If we exercise our right of recovery under your policy and we recover more than we've paid, the excess amount will belong to the person or organization protected under your policy that had the loss. But we'll first deduct our recovery expenses from any such amount recovered by us.

### Appraisal Of A Covered Loss Amount In Dispute Under Property Or Other First-Party Protection

If your policy provides property or other first-party protection and you and we can't agree on the amount of a loss covered under that protection, the following procedure will be used to settle the dispute:

1. Either you or we will make a written demand for an appraisal of the covered loss amount in dispute.
2. Within 30 days of the demand, you and we will each select a competent and impartial appraiser and notify the other of the selection.
3. The appraisers will select a competent and impartial umpire. If they can't agree on an umpire, either of them may request that the selection be made by a judge of a court having jurisdiction.
4. The appraisers will each state separately their appraisal of the covered loss amount in dispute. If they can't agree on that amount, they'll submit their appraisals to the umpire. The umpire's agreement to one of those appraisals will be binding.
5. You'll pay the fees of your appraiser. We'll pay the fees of our appraiser. Other costs of the appraisal, including

the fees of the umpire, will be shared equally by you and us.

**Bankruptcy Or Insolvency Of Any Person Or Organization Protected Under Liability Protection**

If your policy provides liability protection, the bankruptcy or insolvency of:

- any person or organization protected under that liability protection; or
- any estate of that person;

won't relieve us of our obligations under such liability protection.

However, if such liability protection contains an exclusion or other coverage limitation for loss that results from such bankruptcy or insolvency, this rule doesn't change or eliminate that exclusion or other coverage limitation.

**How Statutory Or Regulatory Law Affects Your Policy**

Any part of your policy that conflicts with any requirement of statutory or regulatory law which applies is automatically changed to conform to that law.

### WEST VIRGINIA REQUIRED ENDORSEMENT

This endorsement changes your policy to comply with, or otherwise respond to, West Virginia law.

Therefore, each change made by this endorsement applies only to the extent:

- required by West Virginia statutory or regulatory law; or
- specifically described in the part of this endorsement which makes that change.

As a result, if the address shown for you in the Introduction of your policy is outside West Virginia, each change that's made to comply with West Virginia statutory or regulatory law applies only if, and to the extent, your policy provides coverage for:

- a loss of or to, or that results from, property in West Virginia; or
  - a loss that results from your operations in, or which affect, West Virginia;
- and such statutory or regulatory law applies to such coverage.

Table of Contents	Page	Property Protection - Time Limit For Payment Of Claims
Appraisal Of A Covered Loss Amount In Dispute Under Property Or Other First-Party Protection	1	When we settle a claim, we'll pay the amount finally agreed upon no later than 15 working days from either of the following:
Property Protection - Time Limit For Payment Of Claims	1	• the date the claim amount is agreed upon; or
Property Protection - West Virginia Valued Policy Rule	1	• the date on which you meet the conditions for payment;
Commercial General Liability Protection - Landowner Immunity	1	whichever is later.
Professional Liability Protection - Cancellation	2	
Professional Liability Protection - Nonrenewal	2	<b>Property Protection - West Virginia Valued Policy Rule</b>
Medical Professional Liability Protection - Claims-Made - Optional Reporting Endorsement	2	You may have a building or structure located in West Virginia and covered under your Property Protection agreement. If you do and that property is totally destroyed by a covered cause of loss, we'll pay the limit of coverage that applies to the covered property. If that property is partially destroyed by a covered cause of loss, we'll pay the full amount of the loss up to the limit of your coverage that applies. We won't deduct for depreciation. In either case, we won't apply any coinsurance rule to the loss.
Other Terms	3	

#### Appraisal Of A Covered Loss Amount In Dispute Under Property Or Other First-Party Protection

The following is added to the Appraisal Of A Covered Loss Amount In Dispute Under Property Or Other First-Party Protection section of the General Rules and changes that section as described:

Within 20 days of the demand for an appraisal, the appraisers will be selected and their selection made known.

Within 15 days of their selection, the appraisers will agree on an umpire.

The umpire's agreement to one of the submitted appraisals must be in writing to be binding.

This valued policy rule won't apply when insurance from another company is available to cover the loss.

#### Commercial General Liability Protection - Landowner Immunity

If your policy includes a Commercial General Liability Protection insuring agreement and you are a landowner who owns land leased to a West Virginia governmental subdivision, the following is added to the Right and duty to defend section of that agreement.

We won't use the immunity that you may have as a landowner in the defense of any claim or suit for injury or damage which:

- results from the ownership of any land leased to a West Virginia governmental subdivision for military training or recreational purposes; and
- is otherwise covered by this agreement within the limits of coverage that apply.

However, we'll use such immunity if you specifically request in writing that we do so.

But if we don't use such immunity, we won't pay more than the limits of coverage that apply under this agreement.

*West Virginia governmental subdivision* means:

- the state of West Virginia;
- a West Virginia county or municipality; or
- an agency of any of those governmental subdivisions.

#### **Professional Liability Protection - Cancellation**

If your policy includes Professional Liability Protection, the Cancellation section of the General Rules is replaced by the following.

You can cancel this policy in whole or in part at any time.

**How you can cancel.** To cancel this policy or any of the insuring agreements, you must deliver the policy, or the part you want canceled, to us or to any of our authorized agents. If this isn't possible, notify us by mail and include the date you want the policy or individual insuring agreement canceled. You'll get a refund for the unused premium, less a charge for early cancellation.

**How we can cancel.** We can cancel only for the following reasons.

1. *Nonpayment of premium.* We can cancel if the first named insured fails to pay any premium or premium installment when due.
2. *Fraud or misrepresentation.* We can cancel if we discover that in obtaining this policy, you have committed a fraud or made a material misrepresentation.

3. *Breach of your duties.* We can cancel if we discover that you have not followed the rules of this policy, or you have not lived up to your promises or duties under this policy.

4. *Loss of reinsurance.* We may cancel if we lose reinsurance that affects your policy. If we cancel for this reason, we'll supply proof of this to the Insurance Commissioner.

If we cancel for any of these reasons, we'll mail a notice to the first named insured by certified mail, return receipt requested, within 30 days after we discover the reasons. We'll also send the notice at least 30 days before coverage will end. The notice will state the exact reason for cancellation. You have the right to request a hearing by the Insurance Commissioner to review the cancellation within 30 days after you receive the notice.

#### **Professional Liability Protection - Nonrenewal**

If your policy includes Professional Liability Protection, the following is added to the General Rules.

We may decide not to renew or continue this policy. If so, we'll mail or deliver a notice of non-renewal to the first named insured by certified mail, return receipt requested, at least 90 days before the expiration date of this policy.

#### **Medical Professional Liability Protection - Claims-Made - Optional Reporting Endorsement**

If your policy has been in effect for at least 60 days and includes medical professional liability protection - claims-made, and you are a (an):

- medical physician;
- osteopathic physician;
- podiatric physician;
- chiropractic physician;
- dentist;
- midwife; or
- nurse practitioner;

the following replaces the comparable paragraph in the Optional Reporting Endorsement section.

You may purchase an unlimited Reporting Endorsement with quarterly annual payments

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over 12, 24, or 36 months. However, we won't issue a Reporting Endorsement unless we receive your written request for it within 45 days after this agreement or a previous Reporting Endorsement for this agreement ends. Nor will it take effect unless the additional premium is paid when due. If we don't receive your written request and

payment within this period, you may not exercise this right later.

**Other Terms**

All other terms of your policy remain the same.





**PUBLIC ENTITY GENERAL LIABILITY PROTECTION  
CHANGES OR RULES THAT APPLY TO COMMERCIAL  
GENERAL LIABILITY PROTECTION ENDORSEMENT**

This endorsement changes your policy.

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\* M:  
\* 3 B O O 2 GP09313204 5785

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**How Coverage Is Changed**

The following is added.

**Changes or rules that apply to Commercial  
General Liability Protection**

We'll consider any change or rule that applies to Commercial General Liability Protection in any general rules or state required endorsement which is part of your policy to also apply to your Public Entity General Liability Protection.

In addition, we'll consider any other endorsement that is part of your policy and changes Commercial General Liability Protection to also change your Public Entity General Liability Protection.

**Other Terms**

All other terms of your policy remain the same.





**COMMERCIAL AUTO REQUIRED ENDORSEMENT  
WEST VIRGINIA**

The **St Paul**

This endorsement changes your Commercial Auto Insurance to comply with West Virginia law.

This endorsement applies to covered autos licensed or mainly garaged in West Virginia.

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**Cancellation**

The following sections replace the Cancellation section of the General Rules.

**Cancellation - Individual Owners Of Private Passenger Autos**

The following rule applies for individual owners of private passenger type autos. We explain what we mean by private passenger type autos in your auto insuring agreements.

**How you can cancel.** The first named insured may cancel this policy by delivering the policy to us or any of our authorized agents. If this isn't possible, notify us and tell us the date the policy is to be canceled. You'll get a refund of any unused premium less a charge for early cancellation.

**How we can cancel a policy in effect less than 60 days.** When this policy has been in effect less than 60 days, and is not a continuous or renewal policy, we can cancel for any reason that is allowed by section 33-6B-3 of West Virginia Statute law. If we cancel, we'll mail or deliver a cancellation notice to the first named insured. We'll send notice 10 days before coverage will end if we cancel for nonpayment of premium. We'll send 30 days notice before coverage will end if we cancel for any other reason.

**How we can cancel a policy in effect 60 days or more.** When this policy has been in effect 60 days or more, or is a continuous or renewal policy, we can only cancel for one of the following reasons:

- **Nonpayment of premium.**
- **Material misrepresentation.** We can cancel if we discover that you've committed fraud or made a material misrepresentation in having the policy issued.
- **Violation of this policy's rules.** We can cancel if you violate any of the rules of the policy.

In the next reasons, whenever we say "a driver," we mean either you or any driver who lives with you or who customarily uses a covered auto.

- **Suspended driver's license.** We can cancel if a driver's license has been suspended or revoked during the policy period. However, this won't apply if the driver is under the age of 21 and that driver's license has been suspended for 60 days because of alcohol concentration in the blood of .02% or more, but less than .10% by weight;
- **Epilepsy or heart trouble.** We can cancel if a driver has had a history of epilepsy or heart attacks and doesn't have a physician's certificate testifying as to their ability to operate an auto safely.
- **Convictions and violation of bail.** We can cancel if a driver is convicted during the policy period of any of the following:
  - any felony;
  - criminal negligence that results in death, homicide, or assault from the use of an auto;
  - using an auto while under the influence of alcohol or drugs;
  - leaving the scene of an accident without stopping to report;
  - theft of an auto;
  - giving false information when applying for a driver's license, or
  - a third moving violation within a period of 12 months, each of which results in three or more points being assessed on the operator's record by the division of motor vehicles, whether or not we renewed the policy without knowledge of all such violations.
- **Replacement policy.** We can cancel this policy if we issue another policy with similar coverages and the same limits for the covered auto. The replacement policy will be effective on the date of the cancellation of this policy. It will end a year after this policy begins or on this policy's expiration date if that's earlier.

If this policy has been issued for more than a year, or without a fixed expiration date, we can cancel at an anniversary for any reason. If we do, we'll send a cancellation notice to the first named insured at least 30 days before coverage will end.

If we cancel for any of these reasons, we'll mail the notice by registered or certified mail at least 30 days before coverage will end. This notice will show the date cancellation is to take effect. The policy will end on that date.

**Unused premium.** If we cancel this policy, you'll get a refund of any unused premium as soon as possible. The refund will be figured on a pro-rata basis. However, the cancellation will be effective whether or not you've been paid or offered the unused premium.

**Non-renewal.** If we decide not to renew or continue this policy, we'll mail a notice to you at least 45 days before the end of the policy period.

When the policy period is other than 1 year, we can choose not to renew the policy only at an anniversary of the original effective date.

When the policy has been in effect two consecutive years or more, we can only choose not to renew your policy if:

- any of the reasons described in the "How we can cancel a policy in effect 60 days or more" section exists. However, for the reason listed that pertains to the suspension of a driver's license, the exception to the rule for certain persons pertaining to alcohol blood content doesn't apply.
- you or any driver who lives with you or regularly uses a covered auto is convicted of or forfeits bail during the policy period for a second moving violation committed within a period of twelve months each of which results in three or more points being assessed on the operator's record by the division of motor vehicles whether or not we renewed the policy without knowledge of all such violations; or
- you or any other driver has had a second accident where you or the other driver was at fault within twelve months, whether or not we renewed the policy without knowledge of all such accidents.

For policies that have been in effect for less than two years, we have the right not to renew or continue this policy for any

reason that is allowed by section 33-6B-3 of West Virginia Statute law.

If we offer to renew or continue your policy, and you don't accept, the policy will expire at the end of the policy period. If we offer to renew your policy, and you fail to pay the required premium when due, we'll consider this to mean that you don't accept our offer.

If we fail to send proper notice of non-renewal and you obtain other insurance, this policy will end on the date the other insurance takes effect.

**Mailing The Notice.** We'll mail any notice of cancellation or non-renewal by registered or certified mail to the first named insured's last address known to us. We can deliver any notice instead of mailing it. Proof that we have mailed any notice is proof you were notified.

### **Cancellation - All Other Policies**

The following rule applies to all other than individual owners of private passenger autos.

**How you can cancel.** The first named insured may cancel this policy by delivering the policy to us or any of our authorized agents. If this isn't possible, notify us before the date policy is to be canceled. If the first named insured cancels the policy, you'll get a refund of any unused premium less a charge for early cancellation.

**How we can cancel a policy in effect less than 60 days.** When this policy has been in effect less than 60 days, and is not a continuous or renewal policy, we can cancel for any reason that is allowed by section 33-6B-3 of West Virginia Statute law. If we cancel, we'll mail or deliver a cancellation notice to the first named insured. We'll send a notice 10 days before coverage will end if we cancel for nonpayment of premium. We'll send a notice 30 days before coverage will end if we cancel for any other reason.

**How we can cancel any other policy.** For any other policy, we can cancel for any reason if we mail or deliver a cancellation notice to the first named insured. We'll send a notice 10 days before coverage will end if we cancel for nonpayment of premium. We'll send a notice 30 days before coverage will end if we cancel for any other reason.

**Non-renewal.** If we decide not to renew or continue this policy, we'll mail a notice to

the first named insured at least 45 days before the end of the policy period.

If we fail to send proper notice of non-renewal and you obtain other insurance, this policy will end on the date the other insurance takes effect.

For policies that have been in effect for less than two years, we have the right not to renew or continue this policy for any reason that is allowed by section 33-6B-3 of West Virginia Statute law.

**Mailing the notice.** We'll mail any notice of cancellation or non-renewal by registered or certified mail to the first named insured's last address known to us. We can deliver any notice instead of mailing it. Proof that we have mailed any notice is proof you were notified.

**Unused premium.** If we cancel this policy, you'll get a refund of any unused premium as soon as possible. The refund will be figured on a pro-rata basis. However, the cancellation will be effective whether or not you've been paid or offered the unused premium.

### Appraisal Of Property Disputes

The following sections replace the Appraisal Of Property Disputes section of the General Rules.

If your policy includes property insurance and agreement can't be reached on the amount of a property loss or the value of the property, the following procedure will be used:

1. One of us will make a written demand for an appraisal
2. Each will select a competent and impartial appraiser and notify the other of the selection within 20 days of the demand.
3. The appraisers will select a competent and impartial umpire. If they can't agree on an umpire within 15 days, either may ask that one be selected by a judge of a court having jurisdiction.
4. The appraisers will state separately the amount of the loss and the value of the property. If they don't agree, they'll submit their appraisals to the umpire. Agreement of two out of three will be binding.

You'll pay your appraiser and we'll pay ours. Other costs of the appraisal and the umpire will be shared equally by you and us.

If we submit to an appraisal, we'll still retain our right to deny the claim.

### Auto Liability Protection

If your policy includes Auto Liability Protection, the following replaces the Intentional or expected bodily injury or property damage exclusion.

**Intentional or expected bodily injury or property damage.** We won't cover bodily injury or property damage that's expected or intended by the protected person. However this exclusion doesn't apply for amounts up to the limits of liability required by the West Virginia Safety Responsibility Law.

### Garage Liability Protection

If your policy includes Garage Liability Protection, the following two changes apply.

1. **Any permitted user.** The following replaces the "Any permitted user" part of the Who Is Protected section of your agreement. The effect of this change is to automatically provide "Customer Protection." This change broadens coverage.

Any person or organization to whom you've given permission to use a covered auto you own, rent, lease, hire or borrow is a protected person.

However, we won't protect:

- the owner of an auto you rent or borrow if the owner is an employee of yours or a member of an employee's household;
- anyone while working in the business of selling, servicing, leasing, repairing or parking autos, unless the business is yours;
- any customer of yours if you are an auto dealership. But if the customer has no other collectible insurance, we'll protect that customer for the limits that are required by any compulsory or financial responsibility law where the auto is garaged.
- your employees, directors or shareholders are protected while

performing their duties for you in your garage operations.

2. **Intentional or expected bodily injury or property damage.** The following replaces the Intentional or expected bodily injury or property damage exclusion.

We won't cover bodily injury or property damage that's expected or intended by the protected person. However this exclusion doesn't apply:

- for amounts up to the limits of liability required by the West Virginia Safety Responsibility Law; or
- to bodily injury resulting from the use of reasonable force to protect persons or property for garage operations other than covered autos.

### Auto Or Garage Liability Protection

If your policy includes Auto or Garage Liability Protection, the following is added.

#### **Coverage For Temporary Substitute Autos**

Your Auto or Garage Liability Protection is broadened to include, as a covered auto, any auto that is loaned to you as a temporary substitute without a charge by someone in the business of selling, repairing, leasing or servicing autos.

*Temporary substitute* means an auto used in place of a covered auto because:

- it broke down; or
- it's being serviced or repaired.

If your policy includes Auto or Garage Physical Damage Protection, any such temporary substitute auto will automatically be covered for the same Comprehensive and

Collision coverage that applies to your other owned covered autos.

### **Exclusions - What This Agreement Won't Cover**

The following is added to the Intentional or expected bodily injury or property damage exclusion. This change broadens coverage.

But we won't apply this exclusion to amounts up to the limits of liability coverage required by the West Virginia Safety Responsibility Law.

For Garage Liability Protection, one additional sentence is added. Nor will we apply this exclusion to bodily injury that results from the use of reasonable force to protect people or property in your garage business, not involving driving covered autos.

### Garage Liability And Physical Damage Protection

#### **Other Insurance**

The following is added the Other Insurance section of your Garage Liability Protection and your Garage Physical Damage Protection.

For any covered auto that is used by someone else with your permission, any Bodily Injury and Property Damage Liability, as well as any Comprehensive or Collision coverages that apply to that covered auto will apply on a primary basis.

#### **Other Terms**

All other terms of your policy remain the same.

# WHAT TO DO IF YOU HAVE A LOSS



This form applies if:

- your policy provides any property or other first-party protection and there's a loss that may be covered under that protection; or
- your policy provides any liability protection and there's an accident, act, error, event, incident, offense, or omission that may result in damages or other amounts which may be covered under that protection.

Coverage under your policy may be affected by any failure to fulfill any of the duties described in this form.

However, neither this form, nor any of these duties, change or eliminate any coverage condition or requirement, or exclusion or other coverage limitation, anywhere in the rest of your policy, such as:

- a specific coverage trigger, reporting, notice, or knowledge condition or requirement; or
- an exclusion or other coverage limitation that's based, all or in part, on knowledge.

This form and the rest of your policy should be read carefully to determine:

- the extent of the coverage provided by your policy; and
- the rights and duties of you and any other person or organization protected under your policy.

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If Your Policy Provides Property Or Other First-Party Protection	1
If Your Policy Provides Liability Protection	2
When we consider you to have knowledge of an accident, act, error, event, incident, offense, or omission.	3
When we consider other persons or organizations to have knowledge of an accident, act, error, event, incident, offense, or omission.	3

anywhere in the USA at any time at the following toll-free telephone number to tell us this information:

1-800-STPAUL-1  
(1-800-787-2851)

Also, our Internet web site is available from anywhere at any time at the following address to tell us this information:

[www.stpaul.com](http://www.stpaul.com)

## If Your Policy Provides Property Or Other First-Party Protection

If your policy provides property or other first-party protection and there's a loss that may be covered under that protection, you must do all of the following in connection with that loss:

1. As soon as possible, tell us or one of our authorized representatives what happened. Include all of the following information:
  - The time, place, and specific nature of the loss.
  - The cause, or likely cause, of the loss.
  - A description of the property involved.
  - The name and address of each person known to be a witness.

Our United States of America (USA) Claim Call Center is available from

2. Promptly notify the police if a law may have been broken.
3. Do what is reasonable and necessary to protect covered property from further damage or loss. Keep a record of any expenses you incur in taking such action for our possible consideration in any settlement of the loss.
4. Separate damaged property from undamaged property, if feasible, to enable examination by us.

At our request, make an inventory of damaged or lost property and mail, deliver, or otherwise give that inventory to us.

5. Cooperate with us in the investigation, or any settlement, of the loss.

Allow us, whenever we reasonably require, to:

- inspect property involved in or proving the loss;

- examine, and make copies of, your financial books and records relating to the loss; and
  - take samples of property, whether damaged or undamaged, for analysis or testing.
6. Allow us to examine you, or any other person or organization protected under your policy, while:
- under oath; and
  - not in the presence of any other person protected under your policy.

We may do this, whenever we reasonably require, about any matter relating to:

- your property or other first-party protection;
- the loss; or
- your financial books and records relating to the loss.

All persons or organizations protected under your policy that are examined in this manner must sign a copy of their responses.

7. Within 60 days after our request, you must mail, deliver, or otherwise give to us a signed, sworn proof of loss, using a form supplied by us that provides the information we need to consider whether the loss is covered by your policy.

Within 30 days after we reach agreement with you on what we owe for a covered loss, we'll pay that amount.

### **If Your Policy Provides Liability Protection**

If your policy provides liability protection and there's an accident, act, error, event, incident, offense, or omission that may result in damages or other amounts which may be covered under that protection, you or any other person or organization protected under your policy must do all of the following in connection with that accident, act, error, event, incident, offense, or omission:

1. As soon as possible after having knowledge of the accident, act, error, event, incident, offense, or omission, tell us or one of our authorized representatives what happened. Do this even if no demand against you or any other person or organization protected under your policy has been made.

Include all of the following information that's reasonably available:

- The time, place, and specific nature of the accident, act, error, event, incident, offense, or omission.
- The type of demand that has been or may be made against you or any other person or organization protected under your policy.
- The name and address of each person or organization that may make a claim or bring a suit.
- The name and address of each person who may be a witness.
- The name and address of each person or organization that may be involved and is protected under your policy.

Our United States of America (USA) Claim Call Center is available from anywhere in the USA at any time at the following toll-free telephone number to tell us this information:

1-800-STPAUL-1  
(1-800-787-2851)

Also, our Internet web site is available from anywhere at any time at the following address to tell us this information:

[www.stpaul.com](http://www.stpaul.com)

However, neither we nor any of our authorized representatives need to be told of an accident, act, error, event, incident, offense, or omission that first involves your workers compensation insurance unless the liability protection provided by your policy is likely to be involved.

2. Promptly notify the police if your policy provides auto liability protection and a covered auto under that protection is stolen.
3. As soon as possible after receiving them, mail, deliver, or otherwise give to us a copy of:
  - all written demands made; and
  - all legal documents relating to any suit brought; against you or any other person or organization protected under your policy.
4. Cooperate with and, when requested, assist us in:
  - securing and giving evidence;

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- attending hearings and trials;
- obtaining the attendance of witnesses; and
- taking other reasonable steps to help us investigate or settle, or defend a person or organization protected under your policy against, a claim or suit.

5. Not assume any financial obligation or pay out any money, other than for first aid given to others at the time of an accident, without our consent.

**When we consider you to have knowledge of an accident, act, error, event, incident, offense, or omission.** If you're an individual, we'll consider you to have knowledge of an accident, act, error, event, incident, offense, or omission only if you have knowledge of it or any person has knowledge of it while he or she is your:

- spouse;
- employee and is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department; or
- employee, or authorized person, with a duty given by you to tell us, one of our authorized representatives, or any of the persons described above, about that accident, act, error, event, incident, offense, or omission.

If you're an organization, we'll consider you to have knowledge of an accident, act, error, event, incident, offense, or omission only if any person has knowledge of it while he or she is your:

- partner or co-venturer, or his or her spouse, if you're a partnership or joint venture;
- member or manager if you're a limited liability company;
- trustee if you're a trust;
- shareholder if you're a professional association;
- appointed or elected official if you're a public entity or tribal government;
- director or executive officer if you're a corporation or an other organization;
- employee and is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department; or
- employee, or authorized person, with a duty given by you to tell us, one of our authorized representatives, or any of the persons described above, about that

accident, act, error, event, incident, offense, or omission.

However, if:

- you're a partnership, joint venture, limited liability company, trust, or professional association; and
- any of your partners, co-venturers, members, trustees, or shareholders is an organization;

we'll also consider you to have knowledge of an accident, act, error, event, incident, offense, or omission if any person has knowledge of it while he or she is that organization's:

- partner or co-venturer if it's a partnership or joint venture;
- member or manager if it's a limited liability company;
- trustee if it's a trust;
- shareholder if it's a professional association;
- appointed or elected official if it's a public entity or tribal government; or
- director or executive officer if it's a corporation or an other organization.

**When we consider other persons or organizations to have knowledge of an accident, act, error, event, incident, offense, or omission.**

We'll consider any person or organization protected under your policy, other than you, to have knowledge of an accident, act, error, event, incident, offense, or omission if you or any of the persons described in the When we consider you to have knowledge of an accident, act, error, event, incident, offense, or omission section has knowledge of it.

Also, if any such other person protected under your policy is a sole proprietor, we'll consider that sole proprietor to also have knowledge of an accident, act, error, event, incident, offense, or omission if any person has knowledge of it while he or she is that sole proprietor's:

- employee and is or acts as its insurance or risk manager or holds a position in its insurance, risk management, or legal department; or
- employee, or authorized person, with a duty given by that sole proprietorship to tell that sole proprietor, any of the employees described above, that sole proprietorship's insurer, or one of that insurer's authorized representatives, about that accident, act, error, event, incident, offense, or omission.

In addition, we'll consider any such organization protected under your policy to also have knowledge of an accident, act, error, event, incident, offense, or omission if any person has knowledge of it while he or she is that organization's:

- partner or co-venturer if it's a partnership or joint venture;
- member or manager if it's a limited liability company;
- trustee if it's a trust;
- shareholder if it's a professional association;
- appointed or elected official if it's a public entity or tribal government;
- director or executive officer if it's a corporation or an other organization;
- employee and is or acts as its insurance or risk manager or holds a position in its insurance, risk management, or legal department; or
- employee, or authorized person, with a duty given by that organization to tell its insurer, one of its insurer's authorized representatives, or any of the persons described above, about that accident, act, error, event, incident, offense, or omission.

Finally, if:

- any organization protected under your policy, other than you if you're an organization, is a partnership, joint venture, limited liability company, trust, or professional association; and
- any of its partners, co-venturers, members, trustees, or shareholders is an organization;

we'll also consider such organization that's protected under your policy to have knowledge of an accident, act, error, event, incident, offense, or omission if any person has knowledge of it while he or she is such partner, co-venturer, member, trustee, or shareholder organization's:

- partner or joint venture if it's a partnership or joint venture;
- member or manager if it's a limited liability company;
- trustee if it's a trust;
- shareholder if it's a professional association;
- appointed or elected official if it's a public entity or tribal government; or
- director or executive officer if it's a corporation or an other organization.

**PROPERTY PROTECTION COVERAGE SUMMARY**

**Description and location of covered property**

Item 001

BLANKET BUILDING AND BUSINESS PERSONAL PROPERTY AT LOCATIONS SCHEDULED BELOW.

	Limit Of Coverage	Valuation	Theft Coverage
BLANKET Building	\$2,458,099 Coinsurance 90%	RC	See Location Schedule
BLANKET Business Personal Property	Incl W Bldg Coinsurance 90%	RC	See Location Schedule

**Business Income**

**Blanket Earnings And Expenses**

Your Property Protection deductible per event is \$250 unless another amount is shown here: \$2,500.

**Additional Coverages**

	LIMIT OF COVERAGE	VALUATION	THEFT COVERAGE
BLANKET SPECIAL CLASS	Incl Above Coinsurance 90%	RC	See Location Schedule

**Name of Insured**  
CITY OF WILLIAMSTOWN

**Policy Number** GP09313204

**Effective Date**

**Processing Date** 10/12/04 09:27 001

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JC: 000 D559

The **St Paul**

LOCATIONS INCLUDED IN BLANKET

Item 001-001

100 WEST 5TH STREET  
CITY HALL  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

BUSINESS PERSONAL PROPERTY OPTIONS:

Theft Applies

Item 001-002

5TH ST & PARK AVENUE  
CITY GARAGE  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

BUSINESS PERSONAL PROPERTY OPTIONS:

Theft Applies

Item 001-003

5TH ST & PARK AVENUE  
CITY WATER PLANT - CONTACT TANK  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

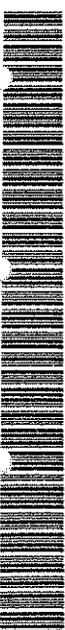
Name of Insured  
CITY OF WILLIAMSTOWN

Policy Number GP09313204

Effective Date

Processing Date 10/12/04 09:27 001

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Item 001-004

5TH ST & PARK AVENUE  
CITY WATER PLANT/WELL HOUSE  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

BUSINESS PERSONAL PROPERTY OPTIONS:

Theft Applies

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Item 001-005

5TH ST AND PARK AVENUE  
CITY WATER PLANT - (4) WATER WELL HOUSES  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

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Item 001-006

WILLIAMS AVE & 10TH ST, INNOVATION DRIVE  
SEWER LIFT STATIONS  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

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Item 001-007

HUGGINS DRIVE & EAST 9TH STREET  
(2) CONCRETE TANKS  
WILLIAMSTOWN, WV 26187



Item 001-011

HIGHLAND AVENUE - TOMLINSON PARK  
FIREMEN'S SHELTER  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

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Item 001-012

HIGHLAND AVENUE - TOMLINSON PARK  
RESTROOM  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

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Item 001-013

W 5TH STREET & VICTORIA AVENUE  
WILLIAMSTOWN FIRE STATION  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

BUSINESS PERSONAL PROPERTY OPTIONS:

Theft Applies

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Item 001-014

100 WILLIAMS AVENUE  
SEWAGE TREATMENT PLANT - OLD BUILDING  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

BUSINESS PERSONAL PROPERTY OPTIONS:

Theft Applies

Item 001-015

100 WILLIAMS AVENUE  
SEWAGE TREATMENT PLANT - NEW BUILDING  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

BUSINESS PERSONAL PROPERTY OPTIONS:

Theft Applies

Item 001-016

109 EAST 6TH STREET  
GRINDER PUMP STATION  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

Item 001-017

448 HIGHLAND AVENUE  
STORAGE BUILDING  
WILLIAMSTOWN, WV 26187

BUILDING OPTIONS:

Theft Applies

Name of Insured  
CITY OF WILLIAMSTOWN

Policy Number GP09313204

Effective Date

Processing Date 10/12/04 09:27 001

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Item 001-018

HIGHLAND AVENUE, TOMLINSON PARK  
LIONS CLUB SHELTER  
WILLIAMSTOWN, WV 26187

**BUILDING OPTIONS:**

Theft Applies



**The St Paul**

**Other Conditions**

**THE ST. PAUL PROPERTY PROTECTION**



We've designed this agreement to protect against a variety of property losses. There are limitations and they are explained later in this agreement.

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cover any temporary structures at a covered location.

**What This Agreement Covers**

The description of property covered, the limit of coverage, and other applicable terms and conditions are shown in the Coverage Summary.

**Covered Causes Of Loss**

We'll protect covered property against risks of direct physical loss or damage except as indicated in the Exclusions - Losses We Won't Cover section.

**Property Covered**

In the following sections, we explain what is included under the building and business personal property coverages. The Coverage Summary will indicate which coverages you have purchased under this policy.

**Building Coverage**

We'll cover your financial interest in the covered building or structure. While at the same location, we'll also cover:

- machinery and equipment that are a permanent part of a covered building and are used to provide building services such as elevators and heating equipment.
- fixtures or yard fixtures such as lampposts and flagpoles.
- property which you own and use to service or maintain a covered building or structure or its premises. But your building coverage doesn't apply to property that you, as a landlord, use to furnish apartments or rooms in your covered building.
- construction materials, supplies, and equipment that you intend to use to alter, repair, or expand a covered building. During construction, we'll cover these materials at a covered location or in the open within 1,000 feet of it. We'll also

**Business Personal Property Coverage**

We'll cover your business personal property while:

- in or on a building described in the Coverage Summary.
- in the open or in vehicles in the open within 1,000 feet of a covered location.

*Business personal property* means things you own or have a financial interest in such as stock, furniture, fixtures, machinery, equipment, computer hardware, software, data, prototypes, supplies, and other movable items and all other personal property owned by you and used in your business.

*Stock* means merchandise held in storage or for sale, raw materials and in-process or finished stock. It also includes supplies used in packing or shipping.

*Covered location* means any of the following:

- locations scheduled or described in the Coverage Summary;
- new locations as described in the newly acquired property additional benefit; or
- temporary locations as described in the temporary location additional benefit.

Business personal property may include personal property used in your business that's leased from others when you are contractually required to insure it and its value is included in your business personal property limit of coverage.

Your business personal property coverage also includes the value of materials, labor, and other services you've expended on other people's property. For example:

*You run a TV repair shop. A customer's TV is destroyed in a fire at your shop. You have already worked on it and replaced several parts. You even had to go across town to get one part. We cover the value of your labor, the parts you replaced, and your expense in obtaining the part across*

town. But we won't cover the value of the customer's TV under business personal property coverage except as explained below.

There is limited coverage for other people's property in the Additional Benefits section.

**Improvements coverage.** If you're a tenant at a covered location, your business personal property coverage can also apply to improvements that you make to a building.

*Improvement* means a permanent alteration or addition that can't legally be removed.

If you pay for an improvement, and none of the payment is part of your rent, we'll cover the value of your right to use the improvement.

The limit of coverage for business personal property is the most we'll pay for all loss to your business personal property and improvements. However, we won't pay for loss to your improvement if someone other than you pays to repair or replace it.

**Burglary damage to buildings.** If you are a tenant at a covered location, your business personal property coverage can also cover direct loss or damage caused by burglary or attempted burglary to that part of the building you occupy. To be covered, you must be legally responsible for the damage.

*Burglary* means the taking of property from inside your building by a person unlawfully entering or leaving the building as evidenced by marks of forcible entry or exit.

This protection is included in the limit of coverage for business personal property at the location where the damage occurs.

### Property Covered Only If Described

We won't cover the following property unless its described in the Coverage Summary:

- property of others in your care, custody, and control. But this won't apply to property of others insured under the other people's property additional benefit. Nor will it apply to property leased from

others when you're contractually obligated to insure it and its value is included in your business personal property limit of coverage.

- household or personal effects in living quarters occupied by you, your officers, directors, stockholders, partners, or relatives of any of these, except for the coverage provided in the Additional Benefits section.
- self-propelled land vehicles and other vehicles designed for use on public roads such as cars, trucks, and trailers whether licensed or not. But we'll cover motorized equipment that is used mainly at the covered location and isn't licensed for use on public roads such as lawnmowers, tractors, and forklifts.
- outdoor signs, other than those attached to buildings.
- outdoor trees, plants and shrubs, not held for sale except for the coverage provided in the Additional Benefits section.
- pilings, piers, docks, wharves, and bulkheads.
- retaining walls that aren't part of a covered building.
- fences, except for the coverage provided in the Additional Benefits section.
- walks, roadways, and other paved surfaces.
- the cost of excavations, grading, or filling.
- foundations that are below the basement floor, or below ground level if there is no basement. Foundations include those for boilers, engines, and other machinery.
- underground tanks, flues, pipes or drains, and their contents.
- watercraft, while not on water, including motors, equipment, and accessories.

### Property Covered For Limited Amounts

The following property is covered for limited amounts for loss or damage by theft. Higher limits may be purchased. If so, the revised limit will be shown in the Coverage Summary.

*Fur.* The most we'll pay for loss or damage to fur or fur garments in any one theft is \$5,000.

**Jewelry.** The most we'll pay for loss or damage to jewelry, watches, watch movements, pearls, precious and semi-precious stones, in any one theft is \$5,000. But this limitation doesn't apply to jewelry and watches valued at less than \$100 per item.

**Precious metals.** The most we'll pay for loss or damage to precious metals like gold, silver, or platinum in any one theft is \$10,000.

### **Property Not Covered At All**

We won't cover the following property under this agreement:

- aircraft, satellites, and spacecraft;
- live animals, birds, and fish;
- contraband, or property in the course of illegal transportation or trade;
- watercraft including motors, equipment, and accessories while on water;
- lawns, land, land value, land restoration, and growing crops, including standing timber;
- water;
- money, lottery tickets, food stamps, securities, deeds, accounts, bills, notes, and other evidence of debt, except for the coverage provided in the Additional Benefits section;
- property you've sold on installment or other deferred payment basis after it's been delivered to the customer; or
- transmission and communication lines you own or have a financial interest in other than those held as inventory.

### **Additional Coverages**

The following coverages are included when either building or business personal property coverages have been purchased and are shown in the Coverage Summary. Unless otherwise indicated, these coverages are not in addition to the limits of coverage for building or business personal property shown in the Coverage Summary.

### **Debris Removal Coverage**

If your covered property is damaged by a covered cause of loss, we'll pay a limited amount for the cost of removing the debris of damaged covered property.

We'll pay up to 25% of the amount paid for direct physical loss or damage. The amount paid for direct physical loss or damage includes any deductibles you pay. If debris removal costs exceed the 25%, or if the total amount of loss paid and debris removal costs combined exceed the limit of coverage that applies, we'll also pay up to an additional \$10,000 for debris removal per location in each event. For example:

*A fire causes a combined loss of \$50,000 to your building and business personal property. The combined limits of coverage for the damaged building and business personal property are \$100,000. Because of pollutants in the debris, the debris removal costs total \$15,000. Here's how we'll determine what we'll pay for the debris removal costs.*

*Paid loss of \$50,000 (which includes your deductible) x 25% = \$12,500, the debris removal limit for this loss. Since the debris removal costs of \$15,000 exceed the \$12,500 limit, the additional \$10,000 debris removal coverage will pay the remaining \$2,500 debris removal cost. In this example, we would pay the full \$15,000 of debris removal costs. However if the debris removal cost had been \$30,000 we would only pay \$12,500 + \$10,000 for a total of \$22,500.*

A higher additional limit may be purchased. If so, the revised limit will be shown in the Coverage Summary.

We won't pay for any undamaged property which must be removed because of the enforcement of any ordinance, regulation, or law that requires you or anyone else to:

- test for, monitor, cleanup, remove;
- contain, treat, detoxify, neutralize; or
- in any way respond to, or assess the effects of pollutants.

For example:

*A fire damages your building, including a section of the ceiling. The ceiling is made of tiles containing asbestos. Because of the asbestos, local law requires that you replace the ceiling completely even though only a portion of the ceiling was damaged. We'll only pay the cost to remove the tiles damaged by the fire. We won't pay to remove the undamaged remainder of the ceiling because the law requires it.*

We won't pay for the debris removal of property which is a pollutant and which must be removed from water or from below the surface of the ground. Limited coverage for pollution cleanup and removal is provided in the Additional Benefits section.

We'll only pay debris removal expenses that are reported to us in writing within 180 days of the date of direct physical loss or damage to covered property.

The cost of removing debris won't be included when we apply the coinsurance rule.

### **Preservation Of Property Coverage**

We'll pay for any direct physical loss or damage to covered property that results when you're forced to remove it from a location endangered by a covered cause of loss. We'll cover the property while it's being moved to a safe place and continue your insurance for 30 days after the removal from the endangered location. We'll also cover this property while it's being returned to the covered location. But the total amount of insurance for all locations combined won't exceed the limit of coverage at the original location.

### **Undamaged Portion Of The Building**

If your covered building or improvements are damaged by a covered cause of loss, we'll pay for the loss in value of the undamaged portion of the covered building or improvement as the consequence of the enforcement of any ordinances or laws that:

- regulate the construction or repair of the damaged covered building or establish

zoning or land use requirements at a covered location; or

- require the demolition of the undamaged parts of the covered building; and
- are in force at the time of the loss.

### **Where We'll Cover**

We'll cover property while in the United States, its territories and possessions, Canada, and Puerto Rico.

### **Additional Benefits**

All of the following additional benefits are in addition to the limits of coverage for building or business personal property. The limit for each additional benefit is shown in the Coverage Summary.

Unless otherwise restricted, these limits are applicable at any covered location. The limit for property in transit applies to covered property that is away from a covered location while in the course of transportation. The limit for temporary locations applies to covered property while away from a covered location, but not in the course of transportation.

Although applicable at any location, the indicated limit for any of these additional benefits is also the most that we will pay for loss or damage, regardless of the number of locations involved, that results from a single event such as a tornado or a hurricane.

These additional benefits do not extend to nor create a covered loss under any time element coverage attached to this insuring agreement. Time element coverages include any of the following:

- blanket earnings and expense;
- business income and extra expense;
- extra expense;
- business income from dependent properties;
- extra expense from dependent properties; or
- valued business income.

All other terms in this agreement apply to these additional benefits except for the coinsurance rule.

### **Accounts Receivable**

If you have business personal property coverage, we'll pay for the following costs that you incur due to direct physical loss or damage of your records of accounts receivable from a covered cause of loss:

- amounts your customers owe you but you can't collect because of loss or damage to your records;
- interest on any loan you have to take out because you can't collect your receivables, and need money while waiting for payment of your claim;
- extra collection costs, over and above your normal collection costs, that are made necessary because of loss or damage to your records; and
- expenses you reasonably incur to re-establish your records.

But we won't pay more than the additional benefit limit for accounts receivable shown in the Coverage Summary.

### **Computers**

If you have business personal property coverage, we'll pay for direct physical loss or damage by a covered cause of loss to computer hardware, software, and data which you own, lease, or rent from others or for which you are legally responsible while in a building at a covered location.

But we won't pay more than the additional benefit limit for computers shown in the Coverage Summary.

We'll pay the actual cost of reproducing lost or accidentally erased data, software, documentation, and source materials provided you can and do actually replace or reproduce them.

*Computer hardware* means a network of machine components capable of accepting information, processing it according to a plan, and producing the desired results. Computer hardware includes disk and tape drives, printers, video display terminals,

modems, personal computers, remote terminals, and air conditioning equipment used exclusively in computer operations.

*Software* means programs that are either purchased or written on a custom basis, which are regularly used with a computer system.

*Data* means facts, concepts, or instructions converted to a form useable in computer operations.

### **Demolition And Increased Cost Of Construction**

If a covered building or improvement covered for replacement cost under this agreement is damaged by a covered cause of loss, we'll pay the costs necessary to demolish and clear the site of undamaged parts of such covered property as well as the increased costs of construction due to the enforcement of any ordinances or laws that:

- regulate the construction or repair of the damaged building or establish zoning or land use requirements at a covered location; or
- require the demolition of the undamaged parts of the building; and
- are in force at the time of the loss.

But we won't pay more than the demolition and increased cost of construction maximum per loss additional benefit limit shown in the Coverage Summary or 10% of the limit of insurance applicable to that covered building or improvement, whichever is less.

If a damaged building or improvement is covered under a blanket limit of insurance that applies to more than one building or item of property, the most we'll pay is the lesser of the demolition and increased cost of construction maximum per loss additional benefit limit shown in the Coverage Summary or 10% times the value of the damaged covered building or improvement as indicated in the statement of values or schedule.

This additional benefit does not apply to any costs due to an ordinance or law with which you were required to comply before the loss, even when the building was

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undamaged, and with which you did not comply.

This additional benefit does not apply to the costs associated with the enforcement of any ordinance or law which requires you or anyone else to:

- test for, monitor, cleanup;
- remove, contain, treat, detoxify, neutralize; or
- in any way respond to, or assess the effects of pollutants.

**Extra Expense**

We'll pay to help you maintain normal business operations following direct loss or damage by a covered cause of loss to covered property. We'll pay extra expenses that are over and above your normal operating costs and that are directly related to your covered loss.

But we won't pay more than the additional benefit limit for extra expense shown in the Coverage Summary.

We'll cover you from the date of the damage for as long as it should reasonably take to rebuild, repair, or replace your damaged covered property regardless of when this agreement ends.

We won't pay for loss of income. Nor will we pay for repairing, replacing, or restoring covered property or necessary papers, computer software, and records under this benefit.

**Fine Arts**

If you have business personal property coverage, we'll pay for direct physical loss or damage by a covered cause of loss to your fine arts or the fine arts of others while in your care, custody, or control while in or on a building at a covered location or within 1,000 feet of it.

But we won't pay more than the additional benefit limit for fine arts shown in the Coverage Summary.

*Fine arts* mean antiques and objects of art of every nature and description.

**Fire Department Service Charge**

When the fire department is called to protect your covered property from a covered cause of loss, we'll pay for fire department service charges you've agreed to pay by contract or agreement prior to loss or as required by law.

But we won't pay more than the additional benefit limit for fire department service charge shown in the Coverage Summary. No deductible applies to this benefit.

**Inventory And Appraisals**

We'll pay for the cost of any inventory and appraisal that we require from you to determine the amount of direct physical loss or damage to covered property.

But we won't pay more than the additional benefit limit for inventory and appraisals shown in the Coverage Summary. However, this benefit does not apply to costs incurred from an agent or broker's employee or representative. In addition, this benefit does not apply to costs incurred from a public adjuster or their employee or representative.

**Money And Securities**

If you have business personal property coverage, we'll cover money and securities used in your business against direct physical loss or damage from theft, disappearance, or destruction. A separate limit applies for a covered loss that occurs:

- within a covered location or within a bank or savings institution; and
- away from a covered location en route to or from a bank or savings institution or within the living quarters of someone in charge of the property.

But we won't pay more than the additional benefit limits for money and securities shown in the Coverage Summary.

We'll consider all loss in connection with an actual or attempted dishonest or criminal act to be from one event, regardless of how many people committed the act.

*Money* means currency and coins used as legal tender, travelers checks, register checks, and money orders.

*Securities* means documents representing money or property, revenue stamps, other currently used stamps, tokens, tickets, and unused postage on meters, but not money.

*Property we won't cover.* We won't cover manuscript, records or account books.

### **Newly Acquired Property**

We'll pay for direct physical loss or damage to:

- new fixtures, alterations, or additions you add to a covered building;
- newly acquired buildings for use in your business; and
- newly acquired business personal property. But this benefit doesn't apply to stock at any location shown in the Coverage Summary, or to business personal property at a fair or exhibition.

But we won't pay more than the additional benefit limits for newly acquired property shown in the Coverage Summary.

Insurance under this newly acquired property benefit will end when any of the following first occurs:

- this policy or this agreement is canceled or expires.
- 180 days pass after you acquire the new property or begin installation or construction.
- you report the values of the newly acquired property to us.

We will charge you additional premium from the day the property is acquired or installation or construction begins.

### **Other People's Property**

If you have business personal property coverage, we'll pay for direct physical loss or damage by a covered cause of loss to the personal property of others that's in your care, custody, or control while it's in or on a building at a covered location.

We'll also cover this property while in the open or in vehicles in the open within 1,000 feet of the covered location.

But we won't pay more than the additional benefit limit for other people's property shown in the Coverage Summary.

This benefit does not apply to property of your officers, partners, or employees.

### **Outdoor Property**

We'll pay for direct physical loss or damage to the following at a covered location when the loss is caused by fire, lightning, explosion, aircraft, civil disturbance, or riot:

- outdoor trees, shrubs, plants; and
- outdoor fences.

But we won't pay more than the additional benefit limit for outdoor property shown in the Coverage Summary.

This benefit doesn't apply to trees, shrubs, or plants grown commercially.

### **Personal Belongings**

If you have business personal property coverage, we'll pay for direct physical loss or damage by a covered cause of loss to personal belongings owned by you, your officers, your partners or members, your managers, or your employees at locations scheduled or described in the Coverage Summary.

We'll apply this additional benefit on a primary basis without regard to other valid or collectible insurance. But we won't pay more than the additional benefit limit for personal belongings shown in the Coverage Summary.

### **Pollution Cleanup And Removal**

We'll pay for the cost to cleanup and remove pollution that is in the land or water at a covered location.

For example:

*A fire in your warehouse causes chemicals to run onto the ground and into a nearby*

*river. You are required by law to cleanup the contaminated ground and water. We'll only pay to cleanup the contaminated land and water at your premises and only up to the limit that applies to this benefit. We won't pay anything for the cleanup of land or water away from your premises.*

We'll only pay for pollution cleanup and removal if:

- the discharge, dispersal, seepage, migration, release, or escape of the pollutants is caused by a covered cause of loss; and
- the cause of loss occurs during the policy period to covered property at a covered location.

This additional benefit does not apply to the costs to test for, monitor, or assess the existence, concentration, or effects of pollutants. But we will pay for testing which is performed in the course of extracting the pollutants from land or water.

To be covered, cleanup and removal costs must be reported to us in writing within 180 days of the date of direct physical loss or damage to covered property.

But we won't pay more than the additional benefit limit for pollution cleanup and removal shown in the Coverage Summary.

The limit shown in the Coverage Summary is the maximum we'll pay in any one annual policy period regardless of the number of losses that occur.

### Property In Transit

If you have business personal property coverage, we'll pay for direct physical loss or damage by a covered cause of loss to your business personal property or the property of others while in transit within the United States, its territories and possessions, Canada and Puerto Rico or between these places.

But we won't pay more than the additional benefit limit for property in transit shown in the Coverage Summary.

This benefit doesn't apply to:

- theft from a vehicle you own, lease, or operate unless the property is taken from a locked area of the vehicle and there are visible signs of forced entry;
- property that is in the care of the U.S. Postal Service;
- property in the care of sales personnel; unless it is property you have sold or repaired or is being loaned for use and your sales personnel is delivering the property to your customer;
- property typically kept in vehicles that is used to repair or maintain property; or
- property that is sent by any electronic transmission.

### Random Attack - Hacking Event Or Computer Virus

We'll pay for direct physical loss or damage caused by a random attack by a hacking event or computer virus.

*Random attack* means the widespread attack, by a hacking event or computer virus, directed against the computer systems, software, data, or telecommunications systems of multiple organizations or persons who are not part of you, rather than solely at your computer systems, software, data, or telecommunications systems. Such attack is intended for the purpose of fraud, nuisance, or malicious tampering or destruction.

*Hacking event* means an attack which allows unauthorized access or use of a computer or telecommunications system by electronically circumventing a security system or procedure.

*Computer virus* means a piece of code that is maliciously or fraudulently introduced into a computer or telecommunications system. Once introduced, the virus may destroy, alter, contaminate, or degrade the integrity, quality, or performance of data or any computer application software, computer network, or computer operating system and related software.

But we won't pay more than the additional benefit limit for random attack - hacking event or computer virus shown in the Coverage Summary.

### **Sewer Backup**

We'll pay for direct physical loss or damage to covered property caused by water that backs up from a sewer or drain.

But we won't pay more than the additional benefit limit for sewer backup shown in the Coverage Summary.

We won't cover loss or damage due to discharge or leakage of water from a sump pump system or similar device designed to prevent overflow, seepage, or leakage of subsurface water.

### **Temporary Location**

We'll pay for direct physical loss or damage by a covered cause of loss to property covered under your building or business personal property coverage while the property is temporarily away from your covered location.

But we won't pay more than the additional benefit limit for temporary location shown in the Coverage Summary.

Coverage will continue for up to 90 days after the covered property's arrival at the temporary location. This benefit only covers property at a fixed location; it doesn't cover property while in transit.

This benefit doesn't apply to:

- samples or other property of or in the care of sales personnel;
- property at fairs, exhibitions, or displays;
- property at a location you own, lease, operate, or control;
- property you rent or lease to others;
- property in or on any unattended autos; or
- property that's on someone else's premises for or during construction or installation.

### **Valuable Records Research**

If you have business personal property coverage, we'll pay for research and other expenses necessary to reproduce, replace, or restore valuable records which have suffered

direct loss or damage by a covered cause of loss while at a covered location.

But we won't pay more than the additional benefit limit for valuable records research shown in the Coverage Summary.

*Valuable records* include account books, manuscripts, abstracts, drawings, card index systems, and other printed or written documents. Valuable records also include maps, films, tapes, and other such material. But it doesn't include computer software or data.

### **Exclusions – Losses We Won't Cover**

When we use the word "loss" in this section we also mean damage.

**Acts or decisions.** We won't cover loss caused by or resulting from any act or decision or by the failure to act or decide, of any person, group, organization, or unit of government. If a loss not otherwise excluded results, we'll pay for that resulting loss.

**Boilers.** We won't cover loss to a steam boiler, steam pipe, steam turbine, or steam engine when the loss is caused by or resulting from any condition or event within such equipment. Nor will we cover loss caused by or resulting from the explosion of a steam boiler, steam pipe, steam turbine, or steam engine that you own, operate, or lease.

We won't cover loss to a hot water boiler or any other equipment for heating water when the loss is caused by or results from any condition or event within such equipment other than an explosion.

If fire or explosion results, we'll pay for that resulting loss. We'll also cover loss caused by or resulting from the explosion of accumulated gas or unconsumed fuel in the firebox or combustion chamber of a fired furnace or in the flues or passages leading from the firebox chamber.

**Collapse.** We won't cover loss caused by or resulting from collapse unless due to any of the following causes of loss:

- fire, smoke, lightning, wind, hail, explosion, vehicles, aircraft, vandalism, malicious mischief, civil disturbance, riot, leakage from fire extinguishing equipment, sinkhole collapse, and volcanic action;
- building glass breakage, falling objects, weight of ice, snow, or sleet, water damage;
- decay that is hidden from view, unless the presence of such decay is known or should have been known to an insured prior to collapse;
- insect or vermin damage that is hidden from view, unless the presence of such damage is known or should have been known to an insured prior to collapse;
- weight of people or business personal property or other personal property;
- weight of rain which collects on a roof; or
- use of defective material or methods in construction, remodeling, or renovation if the collapse occurs before such work is completed.

**Collapse** means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

**Property with limited collapse coverage.** Even if the types of property listed below are specifically included, we'll cover them only for collapse from causes of loss listed in the first and second bulleted items above unless the damage is the direct result of the collapse of a covered building:

- fences, retaining walls;
- outdoor swimming pools;
- bulkheads, piers, wharves, docks, pilings;

- beach or diving platforms and appurtenances;
- walks, roadways, and other paved surfaces;
- radio or television antennas, satellite dishes, masts or towers including their lead-in wiring;
- gutters or downspouts; or
- awnings or yard fixtures.

**Contamination.** We won't cover loss caused by or resulting from any kind of contamination of your covered products or covered property.

If a loss not otherwise excluded results, we'll pay for that resulting loss.

**Defects or errors.** We won't cover loss caused by or resulting from:

- defects or errors in the materials, design, development, distribution, processing, manufacturing, workmanship, testing, installation, alteration, or repair of covered property;
- errors in systems programming; or
- errors in instructions to a machine.

If a loss not otherwise excluded results, we'll pay for that resulting loss.

**Disappearance.** We won't cover loss of property that is missing where:

- the only evidence of the loss is a shortage disclosed on taking inventory; or
- there is no physical evidence to show what happened to the property.

**Dishonesty.** We won't cover loss caused by or resulting from any fraudulent, dishonest, or criminal act committed by you or by a partner, member, manager, director, officer, trustee, agent or employee, including leased employee, of yours. Nor will we cover dishonest acts of anyone that you entrust with covered property other than a common carrier.

This exclusion doesn't apply to acts of destruction by your employees, including leased employees.

**Earth movement.** We won't cover loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- earthquake, including any earth sinking, rising, or shifting related to such event.
- landslide, including any earth sinking, rising, or shifting related to such event.
- mine subsidence, meaning subsidence of a manmade mine, whether or not mining activity has ceased.
- earth sinking (other than sinkhole collapse), rising, or shifting including soil conditions which cause settling, cracking, or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil, and the action of water under the ground surface.
- eruption, explosion, or effusion of a volcano other than volcanic action.

*Sinkhole* means underground empty spaces created by the action of water on limestone or dolomite. We'll cover loss caused by sudden sinking or collapse into a sinkhole of the earth supporting covered property.

*Volcanic action* means direct loss or damage resulting from a volcano when the loss or damage is caused by:

- airborne volcanic blast, airborne shock waves;
- ash, dust, or particulate matter; or
- lava flow.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to covered property.

If fire, explosion, glass breakage, theft, or volcanic action results, we'll pay for that resulting loss.

If more than one earth movement or volcanic eruption occurs within any 168 hour period, we'll consider this one event.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Electrical damage.** We won't cover loss to electrical equipment, including wiring, caused by or resulting from electrical arcing. We also won't cover loss to electronic recordings caused by or resulting from electrical or magnetic injury, disturbance or erasing.

If a fire results, we'll pay for that resulting loss.

**Governmental action.** We won't cover loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- seizure or destruction of property under quarantine or customs regulation; or
- confiscation by any government or public authority.

But this exclusion won't apply to property destroyed by a civil authority in order to stop the actual spread of fire. *For example, to establish a fire break.*

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Indirect loss.** We won't cover loss caused by or resulting from:

- delay;
- loss of market;
- loss of use; or
- any indirect loss.

**Mechanical breakdown.** We won't cover loss caused by or resulting from:

- mechanical breakdown or failure;
- derangement of mechanical parts; or
- rupture caused by centrifugal force.

If a loss not otherwise excluded results, we'll pay for that resulting loss.

**Nuclear activity.** We won't cover loss caused directly or indirectly by nuclear reaction, nuclear radiation, or radioactive contamination. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence

to the loss. If fire results, we'll pay for that resulting loss.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Ordinances, regulations, or laws.** We won't cover loss caused directly or indirectly by the enforcement of any ordinance, regulation, or law governing the use, construction, repair, or demolition of any property. This includes removal of debris. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion applies whether the loss results from:

- an ordinance or law that is enforced even if the covered property has not been damaged; or
- the increased costs are incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of covered property, or the removal of the debris, following a physical loss to covered property.

This exclusion won't apply to either the additional coverage for undamaged portion of the building or the additional benefit for demolition and increased cost of construction.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Planning, design, materials, maintenance.** We won't cover loss caused by or resulting from faulty, inadequate or defective:

- planning, zoning, development, surveying, siting;
- design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance.

All of the above apply to part or all of any property on or off of a covered location.

If a loss not otherwise excluded results, we'll pay for that resulting loss.

**Pollution.** We won't cover loss that is caused by or results from pollution unless the pollution is caused by or results from any of the following covered causes of loss:

- fire;
- lightning;
- explosion;
- wind or hail;
- smoke;
- vehicles and aircraft;
- civil disturbance and riot;
- vandalism;
- sprinkler leakage;
- sinkhole collapse;
- volcanic action;
- falling objects;
- weight of snow, ice, or sleet; or
- water damage.

*Pollution* means the actual, alleged, or threatened discharge, dispersal, release, leakage, seepage, migration, or escape of pollutants.

However, we won't pay for the costs associated with the enforcement of any ordinance, regulation, or law which requires you or anyone else to:

- test for, monitor, cleanup, remove;
- contain, treat, detoxify, neutralize; or
- in any way respond to, or assess the effects of pollutants.

*Pollutants* mean any solid, liquid, gaseous or thermal irritant, or contaminant including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste or waste pollutants.

*Waste* includes materials to be recycled, reconditioned, or reclaimed.

*Waste pollutants* mean those pollutants which are at any time transported, handled, stored, treated, disposed of, or processed as

waste by or for you or any other person or organization for whom you're legally responsible.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**Property outside of buildings.** We won't cover loss caused by or resulting from ice, snow, rain or sleet to business personal property while outside a building.

**Random attack - hacking event or computer virus.** We won't cover loss caused directly or indirectly by a random attack by a hacking event or computer virus. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion doesn't apply to any specific attack nor to the additional benefit for random attack - hacking event or computer virus.

*Specific attack* means the intentional attack, by a hacking event or computer virus, directed solely at your computer system, software, data or telecommunications system. Such attack is intended for the purpose of fraud, nuisance, or malicious tampering or destruction.

**Seepage or leakage.** We won't cover loss caused by or resulting from water or steam that leaks from a plumbing, heating, or air conditioning system or appliance over an extended period of time. We'll consider any continuous or repeated leakage that lasts for over two consecutive weeks to have occurred over an extended period of time.

**Settling, smog.** We won't cover loss caused by or resulting from:

- settling, cracking, bulging, shrinking, or expansion of a pavement, foundation, wall, roof, or ceiling; or
- smog, smoke, vapor, or gas from agricultural or industrial operations.

If a loss not otherwise excluded results, we'll pay for that resulting loss.

**Utility failure.** We won't cover loss or damage caused directly or indirectly by the

failure of power or other utility service supplied to a covered location if the break in service occurs away from that location. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

If a loss not otherwise excluded results, we'll pay for that resulting loss.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Voluntary surrender.** We won't cover loss caused by or resulting from covered property that is voluntarily sold or given to someone who obtains it by trick, device, false pretense, or other fraudulent schemes.

**War.** We won't cover loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- war (declared or undeclared);
- warlike action by a military force, including anything done to hinder or defend against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
- invasion or insurrection;
- rebellion, revolution, or civil war;
- seizure of power; or
- anything done to hinder or defend against these actions.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Water.** We won't cover loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind;
- mudslide or mudflow;
- surface water;

- water backup or overflow from a sewer, drain, or sump, except for the coverage provided in the additional benefits for sewer backup; or
- underground water exerting pressure on or flowing through a sidewalk, driveway or other paved surface, foundation, wall, basement, floor, door, window, or other opening.

If fire, explosion or sprinkler leakage results, we'll pay for that resulting loss.

But this exclusion doesn't apply to a covered theft loss or to the property in transit additional benefit.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Wear, tear, deterioration, animals.** We won't cover loss caused by or resulting from:

- wear and tear;
- deterioration, mold, wet or dry rot, rust, or corrosion;
- shrinkage, evaporation, loss of weight;
- changes in flavor, color, texture, or finish;
- nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- the inherent nature of the property.

*Inherent nature* means a latent defect or any quality in the property that causes it to deteriorate or destroy itself.

If loss from fire, smoke, lightning, wind, hail, explosion, vehicles, aircraft, vandalism, malicious mischief, civil disturbance, riot, leakage from fire extinguishing equipment, sinkhole collapse, volcanic action, building glass breakage, falling objects, weight of ice, snow, or sleet or water damage results, we'll pay for that resulting loss.

*Water damage* means the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance, other than a sump system, containing water or steam.

**Weather conditions.** We won't cover loss caused by or resulting from weather conditions. This exclusion only applies if weather conditions contribute in any way with a cause or event not covered because of the following exclusions:

- Earth movement;
- Governmental action;
- Nuclear activity;
- Ordinances, regulations or laws;
- Utility failure;
- War; or
- Water.

If a loss not otherwise excluded results, we'll pay for that resulting loss.

### Exclusion Exceptions

The following exclusions in the Exclusions - Losses We Won't Cover section don't apply to the additional benefits for accounts receivable, valuable records, fine arts, or computers:

- Boilers;
- Contamination;
- Earth movement, except for computers in the state of California;
- Electrical damage;
- Mechanical breakdown;
- Seepage or leakage;
- Settling, smog;
- Utility failure;
- Water; and
- Wear, tear, deterioration, animals.

### Rules For Loss Adjustment

When a loss occurs, we'll consider the following factors in determining what we'll pay:

- How Your Property Is Valued
- Deductible
- Coinsurance Rule
- Other Insurance

We may take over any of the damaged or destroyed property at its agreed or

appraised value. We can choose to repair, rebuild or replace the property ourselves provided we give you notice within 30 days after we get your proof of loss. You agree that you won't merely abandon this property to us.

### **How Your Property Is Valued**

The Coverage Summary indicates whether property is insured:

- on an actual cash value basis, or
- on a replacement cost basis.

#### **Property insured on an actual cash value basis.**

For property insured on an actual cash value basis, we'll pay the smallest of the following:

- the actual cash value of the lost or damaged property at the time of loss;
- the amount it would cost to repair or replace the property with similar kind or quality; or
- the limit of coverage that applies to the property.

#### **Property insured on a replacement cost basis.**

For property insured on a replacement cost basis, we'll pay the cost of repairing or replacing the damaged property without deduction for depreciation. But we won't pay more than the smallest of the following:

- the amount you actually spend in repairing the damage;
- the amount you actually spend replacing the damaged property at the time of the loss with new property of similar kind and quality to be used for the same purpose; or
- the limit of coverage that applies to the property.

If a building is rebuilt at a new location, the amount we will pay is limited to the cost which would have been incurred if the building had been rebuilt at the original location.

We won't pay on a replacement cost basis until property has actually been repaired or replaced.

*You can choose actual cash value.* If replacement cost coverage applies to lost or damaged property, you may choose to have

the loss paid on an actual cash value basis if you believe it's to your advantage to do so. For example:

*The amount of insurance on the property may not be enough to comply with the coinsurance rule on a replacement cost basis; or you may decide not to rebuild.*

If you have chosen actual cash value you can still change your mind and have the loss paid on a replacement cost basis if you tell us in writing within 180 days from the time of the loss.

#### **Special rules for building ordinances or laws.**

The following rules are applicable to the additional benefit coverage for building ordinances or laws. If the covered property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

We'll only pay for the increased costs of upgrading damaged parts of a covered building to comply with the minimum requirements of any building code in force at the time of the loss which governs the repair or replacement of the damaged covered building.

If a covered building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction, subject to the limit of coverage, is the increased cost of construction at the same premises.

If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction, subject to the limit of coverage, is the increased cost of construction at the new premises.

We won't pay for increased construction costs:

- until the covered property is actually repaired or replaced; and
- unless the repairs or replacements are made as soon as reasonably possible, but not more than two years after the loss or damage. We may, however, give you permission in writing to extend this period beyond the two years.

If the covered property is not repaired or replaced, we won't pay more under this additional benefit than the amount you actually spend to demolish and clear the site of a covered location.

**Rules for valuing special property.** The following special rules apply for setting a value on your finished stock, improvements, accounts receivable, records, and fine arts.

**Setting a value on finished stock.** We'll consider the value of your stock that's sold but not delivered to be the price at which it was sold. That price is reduced by any discounts given and any expenses that haven't actually been incurred. However, this provision does not apply to any computer software or data.

**Finished stock** means your manufactured product when it's ready for packing, shipment, or sale.

**Brands and labels.** If your stock is damaged, you have two options when you don't want to sell your damaged stock under your brand or label even though the damaged stock has a salvage value:

- remove the brand or label and then relabel the stock to comply with the law; or
- label the damaged stock as salvage but, in doing so, cause no further damage to the damaged stock.

In either case, valuation will include the difference between:

- the salvage value of the damaged stock with the brand or label attached; and
- the salvage value of the damaged stock with the brand or label removed.

**Pairs and sets.** We'll pay for the consequential loss of your undamaged business personal property.

**Consequential loss** means a part or parts of your product are physically lost or damaged by a covered cause of loss causing the part or parts that are not damaged to be unmarketable as a complete product.

**Setting a value on improvements.** We explain what improvements are covered on page 3. If you're a tenant you may repair or replace a damaged improvement at your own expense. If you do so within a

reasonable amount of time, we'll figure the value of the improvement at actual cash value or replacement cost, whichever is indicated in the Coverage Summary.

But if the damaged improvement isn't repaired or replaced within a reasonable amount of time, we'll figure its value differently. We'll take the original cost of the improvement and multiply that by a fraction. The fraction is obtained by dividing the amount of time left on your lease when the loss occurred by the amount of time left when the improvement was originally made.

$$\text{Original cost} \times \frac{\text{Remainder of lease when loss occurred}}{\text{Remainder of lease when improvement made}} = \text{Value of Improvement}$$

For example:

*You make a \$5,000 improvement on your office one year before your lease expires. Six months later it's destroyed. If you don't repair it within a reasonable time, we'll consider the improvement's value to be:*

$$\$5,000 \times \frac{6 \text{ months}}{12 \text{ months}} = \$2,500$$

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

**Setting a value on accounts receivable.** We'll determine the amount of accounts receivable outstanding as of the time of loss by the following method:

- determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
- adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of accounts receivable:

- the amount of the accounts for which there is no loss;
- the amount of the accounts that you are able to re-establish or collect;
- an amount to allow for probable bad debts that you are normally unable to collect; and
- all unearned interest and service charges.

**Setting a value on software and data.**

We'll consider the cost of software and data to be no more than the cost of blank materials plus the costs you incur for replacing, reproducing, transcribing, or copying them. This applies to software and data that are actually replaced or reproduced. If they are not replaced or reproduced, we'll pay only the cost of blank materials. Pre-packaged software is valued at the cost to replace and re-install.

**Setting a value on other records.** As described in the additional benefit for valuable records research, we'll pay for research and other expenses to reproduce, replace, or restore valuable records. Valuable records are defined in the Additional Benefits section.

**Setting a value on fine arts.** Fine arts are valued based on the market value at the time of loss. When the lost or damaged article is part of a pair or set, you may choose one of the following methods of loss payment. We'll pay you:

- the market value of the entire pair or set. You'll return to us the remaining pieces; or
- the cost to repair the damaged pieces and you'll keep the undamaged pieces. If the pair or set, with the repaired pieces, has a lower value than it had prior to the loss, we'll also pay the difference. In no event will we pay more than the value the pair or set had prior to the loss; or
- the market value of the lost or damaged pieces prior to the loss when the pieces cannot be found or repaired. You'll keep the undamaged pieces. If the remaining pieces have a reduced value, we'll pay the difference between the value of the remaining pieces prior to the loss and after the loss. In no event will we pay more than the value the pair or set had prior to the loss.

We explain what we mean by fine arts in the Additional Benefits section.

**Deductible**

Your deductible is shown in the Coverage Summary. You'll be responsible for this amount of loss in each event. We'll pay the rest of your covered loss up to the limits of coverage that apply.

**Coinsurance Rule**

This coinsurance rule only applies if the Coverage Summary shows a coinsurance percentage for the covered property.

If a percentage is shown, you agree to insure your property for a minimum amount. In return, we agree to reduce the premium that would otherwise apply to your property.

We won't include the value of property covered under your additional benefits or the cost of debris removal in figuring your minimum amount.

**What's the minimum amount?** The minimum amount is the actual cash value or replacement cost of your property, whichever is indicated in the Coverage Summary, multiplied by the applicable coinsurance percentage. If your insurance under this agreement includes more than one limit of coverage, we'll apply this coinsurance rule separately to the property covered under each limit. For example:

*If actual cash value is indicated, we'll use the actual cash value of all property insured under the same limit of coverage in figuring the minimum amount, as shown below:*

<i>Actual cash value of building at time of loss (including building items)</i>	\$100,000
<i>Coinsurance percentage (80%)</i>	<u>    X    .80</u>
<i>Minimum amount you agree to insure</i>	\$80,000

Replacement cost coverage may be indicated in the Coverage Summary; however, you can choose to have your loss paid on an actual cash value basis. If so, we'll consider the

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minimum amount to be the actual cash value of the lost or damaged property multiplied by the applicable coinsurance percentage.

Because property values change, we'll figure the minimum amount at the time a loss occurs. Therefore, it's important for you to review the amount of your insurance periodically to be sure you're complying with this agreement.

**How the rule works.** If at the time of loss your property is insured for the minimum amount or more, this coinsurance rule won't have any effect on what we'll pay up to the limit of liability shown in the Coverage Summary.

However, if your property is insured for less than the minimum amount at the time of loss, you'll have to share your loss with us. Here's how we'll determine what we'll pay and what your share will be:

First, the amount of your insured loss less the deductible will be determined. Then we'll divide the amount of insurance you had on your property by the minimum amount you should have had. We'll pay this percentage of your loss up to the applicable limit of coverage or 100% of the loss, whichever is less. The rest is your share. Here's an example of how it works:

<i>Amount of your loss</i>	<i>\$40,500</i>
<i>Deductible</i>	<i>\$500</i>
<i>Amount of your loss less the deductible</i>	<i>\$40,000</i>
<i>Amount of insurance you had</i>	<i>\$60,000</i>
<i>Minimum amount you should have had</i>	<i>\$80,000</i>

$$\frac{\$60,000}{\$80,000} = .75 \text{ or } = 75\%$$

$$75\% \text{ of } \$40,000 = \$30,000$$

In this example, we'll pay \$30,000 of your loss. The remaining \$10,000 plus the \$500 deductible is your share.

From this example, you can see that it's important to keep your property insured for at least the coinsurance percentage you

agreed to. Otherwise we may only pay a part of your loss.

**Other Insurance**

Insurance under a separate policy may apply to your covered loss. If the separate policy is subject to the same terms and conditions as this policy, we'll pay our pro rata portion of the covered loss or damage. Our share will be the same proportion of the loss that our limit of coverage bears to the total of all available limits. If the separate policy more specifically insures the property, we'll pay the amount of your covered loss left after the separate policy has been used up, less the deductible. But we won't pay more than the limit of coverage under this agreement. Excess coverage under this agreement will not apply to the deductible amount of more specific insurance.

**Adjusting Losses**

If there's a covered loss to your property we will adjust the loss with you. If there's a covered loss to someone else's property, we'll adjust the loss with you for the owner's account. We can choose to settle directly with the owner. If we settle with the owner, the owner's release will satisfy any claim you make for the same loss.

**Who We'll Pay For Loss To Business Personal Property**

If the Coverage Summary identifies a person or organization to receive payments for loss to business personal property or personal property covered under building coverage, we'll adjust the loss with you. However, payment will be made to you and the person or organization named, based on the financial interest each has in the covered property.

**If Your Building Is Mortgaged**

If the Coverage Summary identifies a mortgageholder, this section applies. We'll consider trustees to have the same rights and duties as mortgageholders.

**Rights and duties of mortgageholders.** We'll make payments for losses to you and any

mortgageholder based on the interest each has in the building.

The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

If we deny your claim because of your acts or because you haven't complied with the terms of this agreement, the mortgageholder will still have the right to receive loss payments if the mortgageholder:

- pays any premium when due at our request when you fail to do so;
- submits a signed, sworn proof of loss when you fail to do so; and
- notifies us when aware of any change in ownership, occupancy or risk.

The same rules and conditions that apply to you will then apply to the mortgageholder.

**Transfer of mortgageholder's right to us.** If we pay your mortgageholder for loss or damage and deny payments to you because of your acts or because you haven't complied with the terms of this agreement, the mortgageholder's rights to recover that amount from you will then belong to us to the extent of the amount we pay. But that won't affect your mortgageholder's rights to recover the remaining amount of the mortgage debt from you.

We also have the right to pay off the mortgage debt. If we do, we'll take over the mortgageholder's right to be repaid by you.

**Cancellation notice to mortgageholder.** If we cancel this agreement, we'll mail or deliver a cancellation notice to your mortgageholder at least 30 days before coverage ends - 10 days if we cancel for non-payment of premium.

**Nonrenewal notice to mortgageholder.** If we elect not to renew this policy, we'll mail or deliver a nonrenewal notice to your mortgageholder at least 10 days before the expiration date of the policy.

## Other Rules For This Agreement

**Maintaining your coverage.** You should keep your building and property in as safe a condition as possible. If you are aware of a condition under your control that increases the risk of loss, you should do all you can do to reduce the hazard and notify us of this condition.

**Insurance for your benefit.** This insurance is for your benefit. No third party having temporary possession of your property, such as a transportation company, can benefit directly or indirectly from it.

**Buildings that are vacant.** A covered building is vacant when it does not contain enough business personal property to conduct customary operations. We won't consider buildings under construction to be vacant. If a covered building is vacant, we'll reduce our payment for covered losses by 15% for a loss that occurs after the first 60 consecutive days of vacancy. You may buy an endorsement which extends the period your covered building may be vacant. If you do, the 15% penalty does not apply during that period.

After 60 consecutive days of vacancy, we will not pay for loss or damage due to the following, even if they're covered causes of loss:

- vandalism;
- sprinkler leakage, unless the system has been protected against freezing;
- building glass breakage;
- water damage;
- theft; or
- attempted theft.

**Construction or repairs.** You may make additions, alterations or repairs to covered property without notifying us beforehand.

**Unintentional errors and omissions.** Unintentional errors and omissions including:

- improper description of a covered location;
- incorrect reporting of values; or
- failure to report a location

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won't affect your rights under this policy, provided you notify us after you discover such an error or omission.

We retain the right to collect any additional or retroactive premium due to any unintentional error or omission.

**Preserving your rights.** The following replaces the Recovering Damages From A Third Party section in the General Rules.

You must do all you can to preserve any rights you have to recover your loss from others. If you do anything to impair these rights, we won't pay for your loss.

Before a loss occurs, you can give anyone a written release from any responsibility for losses to property. You can also accept ordinary bills of lading from a shipper, even if they limit the carrier's liability for losses. But after a loss you can release only:

- your tenant;
- another person covered under this policy; or
- any firm or organization that you own or control or that owns or controls you.





**PUBLIC SECTOR SERVICES PROPERTY PROTECTION  
ADDITIONAL BENEFITS COVERAGE SUMMARY**

This Coverage Summary shows the limits that apply to the Additional Benefits section of your agreement.

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Refer to the Insuring Agreement for an explanation of coverage.

<b>Additional Benefit</b>	<b>Additional Benefit Limit</b>
Accounts Receivable	\$100,000
Computers	\$50,000
Demolition and Increased Cost of Construction	\$100,000
Extra Expense	\$25,000
Fine Arts	\$50,000
Fire Department Service Charge	\$25,000
Inventory and Appraisals	\$10,000
Money and Securities	
Inside Limit	\$10,000
Outside Limit	\$5,000
Newly Acquired Property	
Building Limit	\$1,000,000
Business Personal Property Limit	\$500,000
Outdoor Property	\$50,000
Other People's Property	\$25,000
Personal Belongings	\$50,000
Pollution Clean Up and Removal	\$25,000
Property in Transit	\$50,000
Random Attack - Hacking Event Or	
Computer Virus	\$10,000
Sewer Backup	\$50,000
Temporary Location	\$50,000
Valuable Records Research	\$100,000

**Additional Benefit Restrictions**

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<b>Name of Insured</b> CITY OF WILLIAMSTOWN	<b>Policy Number</b> GP09313204	<b>Effective Date</b> Processing Date 10/12/04 09:27 001
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## **Pollution Cleanup and Removal**

We'll pay for additional expenses you incur for:

- cleanup;
- repair or replacement; or
- disposal

of covered property which is damaged, contaminated or polluted by pollutants as defined in your Property Protection. This limitation also applies to damage, contamination or pollution caused by a refrigerant.

But we won't pay more than the limit for pollution cleanup and removal shown in the Equipment Breakdown Coverage Summary.

## **Spoilage**

We'll also pay for direct physical loss or damage caused by spoilage of perishable goods resulting from:

- accident to covered equipment;
- power outage;
- breakdown; or
- refrigerant contamination.

*Perishable goods* means business personal property maintained under controlled conditions for its preservation which is susceptible to loss or damage if controlled conditions change.

*Power outage* means change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

*Breakdown* means the change in temperature or humidity resulting from mechanical breakdown or failure of temperature or humidity control apparatus or equipment.

We won't pay for loss caused directly or indirectly by any of the following:

- disconnection of any refrigerating, cooling or humidity control system from the source of power;
- deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

- inability of an electrical utility company or other power source to provide power due to lack of fuel or governmental order;
- inability of a power source at the covered location to provide power due to lack of generating capacity to meet demand;
- breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit; or
- failure to use all reasonable means to protect perishable goods from damage following an accident.

But we won't pay more than the limit for spoilage shown in the Equipment Breakdown Coverage Summary.

## **Optional Coverages**

### **Business Income Or Blanket Earnings And Expenses**

If this optional coverage is checked on the Equipment Breakdown Coverage Summary, we'll extend your business income, blanket earnings and expenses or other identified time element coverage form to cover your indirect loss and expense resulting from the necessary interruption of your business caused by an accident to covered equipment.

This includes indirect loss and expense resulting from the failure of a utility service not on the described premises due to an accident.

*Utility service* means water, communications, and power supply services.

*Water supply services* means pumping stations and water mains supplying water to the described premises.

*Communication supply services* means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

- communications transmission lines, including optic fiber transmission lines;
- coaxial cables; and
- microwave radio relays, except satellites.

*Power supply services* means:



**Jurisdictional inspections.** If any covered property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

**Other Terms**

All other terms of your policy remain the same.

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**PUBLIC SECTOR SERVICES  
PUBLIC ENTITY PROPERTY ENDORSEMENT**

The **St Paul**

This endorsement changes your Property Protection.

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**How Coverage Is Changed**

There are six changes which are explained below.

1. The following applies to the Property Covered Only If Described section. This change broadens coverage.

The following item is deleted:

- Underground tanks, flues, pipes or drains, and their contents.

It is replaced by:

- Underground tanks, flues, pipes or drains, and their contents, except for the coverage provided in the Additional Benefits section.

2. The following replaces the Extra Expense additional benefit. This change broadens coverage.

**Business Income and Extra Expense**

We'll pay to help you maintain normal business operations following direct loss or damage by a covered cause of loss to property at a location covered by this agreement.

We'll pay up to \$100,000 for actual loss of business income and extra expenses that result from the necessary suspension of your operations during the period of restoration at a location shown in the Coverage Summary.

*Business income* means net income, which is the net profit or loss before income taxes, that would have been earned or incurred and continuing normal operating expenses that are incurred. This includes payroll.

*Extra expenses* means the necessary expenses you incur during the period of restoration that are over and above your normal operating costs and that are directly related to your loss.

*Period of restoration* means the length of time that:

- begins with the date of direct physical loss or damage due to a covered cause of loss at a covered location; and
- ends on the date when the property at the covered location should be repaired, rebuilt, or replaced with property of the similar quality in a reasonable amount of time.

The period of restoration doesn't include any increased period required due to the enforcement of any ordinance or law:

- governing the use, construction, repair, or demolition of any property; or
- requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess, the effects of pollutants.

The expiration date of this policy won't end the period of restoration.

We'll cover you from the date of the damage for as long as it should reasonably take to rebuild, repair, or replace your damaged property regardless of when this agreement ends.

3. The following replaces the Computers additional benefit. This change broadens coverage.

**Computers**

If you have business personal property coverage, we'll pay for direct physical loss or damage by a covered cause of

loss to computer hardware, media, software, and data which you own, lease, or rent from others or for which you are legally responsible.

But we won't pay more than the additional benefit limit for computers shown in the Coverage Summary.

We'll pay the actual cost of reproducing lost or accidentally erased data, software, documentation, and source materials provided you can and do actually replace and reproduce them.

*Computer hardware* means the network of machine components capable of accepting information, processing it according to a plan, and producing the desired results. Computer hardware includes disk and tape drives, printers, video display terminals, modems, personal computers, remote terminals, and air conditioning equipment used exclusively in your computer operations.

*Media* means materials on which data are recorded, such as magnetic tapes, floppy disks, or hard drives.

*Software* means programs that are either purchased or written on a custom basis, which are regularly used with your computer system.

*Data* means facts, concepts, or instructions converted to a form usable in your computer operations.

The Property insured for replacement cost section applies to this benefit.

4. The following is added to the Personal Belongings additional benefit. This change broadens coverage.

We'll also pay for personal belongings while away from the insured location when you or another protected person is fighting a fire. This benefit doesn't apply if the property is otherwise insured.

The Property insured for replacement cost section applies to all coverage under this benefit.

5. The following replaces the Outdoor Property additional benefit. This change broadens coverage.

### **Outdoor Property**

We'll pay for direct physical loss or damage to the following when the loss is caused by fire, lightning, explosion, aircraft, civil disturbance, or riot:

- Outdoor trees, shrubs, and plants at a location covered by this agreement;
- Outdoor fences;
- Street signs, street lights, and stadium lights; and
- Lawn watering systems.

But we won't pay more than the additional benefit limit for outdoor property shown in the Coverage Summary. Nor will we pay more than \$1,000 for any one item.

This benefit doesn't apply to trees, shrubs, or plants grown commercially.

6. The following is added to the Newly Acquired Property additional benefit. This change broadens coverage.

We'll also apply this benefit to your new building while being built on a location covered by this agreement. For new buildings, we'll pay the actual cost of repairing, replacing, or rebuilding the property with materials of similar kind and quality.

7. The following are added to the Additional Benefits section. This change broadens coverage.

### **Arson Award**

We'll pay up to \$7,500 for information that leads to an arson conviction for loss caused by fire to covered property.

### **Communication Equipment**

If you have business personal property coverage, we'll pay up to \$50,000 for direct physical loss or damage by a

covered cause of loss to communication equipment.

However, the most we'll pay for any one item is \$1,000.

*Communication equipment* means sound transmitting and receiving equipment.

#### **Confiscated Or Commandeered Property**

If you have business personal property coverage, we'll pay up to \$100,000 for direct physical loss by a covered cause of loss to the personal property of others that is confiscated or commandeered by any protected person on official business, and is in your care away from a location covered by this agreement.

*Commandeered* means the taking of property, with or without permission.

#### **Crime Reward**

We'll pay for information which results in the arrest or conviction of the person or persons responsible for committing or attempting to commit robbery or burglary of covered property. The most we will pay in any one policy period, regardless of the number of persons providing information, is \$5,000.

#### **Fairs, Exhibitions, Or Displays**

We'll pay up to \$50,000 for direct physical loss or damage by a covered cause of loss to property covered under your building or business personal property coverage while the property is temporarily on display at premises you do not regularly occupy.

Coverage will continue for up to 90 days. This benefit only covers property at a fixed location; it doesn't cover property while in transit.

#### **Free-Standing Signs**

We'll pay up to \$25,000 for loss to free-standing signs at a location covered by

this agreement when the loss is caused by fire, lightning, explosion, aircraft, civil disturbance, or riot.

#### **Ground Maintenance Equipment**

If you have business personal property coverage, we'll pay up to \$50,000 for direct physical loss or damage by a covered cause of loss to ground maintenance equipment while at a location covered by this agreement.

*Ground maintenance equipment* means lawn mowers, tractors, snow blowers, and other equipment used to maintain outside grounds.

#### **Off Premises Utility Failure - Direct Damage**

We'll pay up to \$50,000 for loss to a covered location that results from the failure of a utility service at a property covered by this agreement. You must prove that the failure resulted from direct physical loss or damage by a covered cause of loss under this policy to the utility service not at a location covered by this agreement.

*Utility services* means water, communications, and power supply services.

*Water supply services* means pumping stations and water mains supplying water to a location covered by this agreement.

*Communication supply services* means property supplying communication services, including telephone, radio, microwave, or television services, to the described premises, such as:

- communication transmission lines;
- coaxial cables; and
- microwave radio relays, excluding satellites.

But coverage isn't included for overhead communication lines.

*Power supply services* means:

- utility generating plants;
- switching stations;

- substations;
- transformers; and
- transmission lines;

supplying electricity, steam, or gas to the described premises.

But coverage isn't included for overhead transmission lines.

### **Spoilage**

If you have business personal property coverage, we'll pay up to \$10,000 for direct physical loss or damage to covered property at a location covered by this agreement that results from:

- changes in temperature or humidity from mechanical breakdown or failure of refrigeration, cooling, or humidity control apparatus or equipment only

while such equipment or apparatus is at a location covered by this agreement;

- contamination by the refrigerant; or
- change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off premises, due to conditions beyond your control.

*Covered property* for this benefit means perishable stock that's at any location covered by this agreement and is in your care, custody, or control.

### **Other Terms**

All other terms of your policy remain the same.

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## MOLD OR BACTERIA EXCLUSION ENDORSEMENT WITH LIMITED ADDITIONAL COVERAGE

The **St Paul**

This endorsement changes your Property Protection insuring agreement. It applies to all locations unless otherwise specified in the Coverage Summary.

### How Coverage Is Changed

There are four changes which are explained below. These changes limit coverage.

1. The Wear, tear, deterioration, animals exclusion is replaced by the following.

**Wear, tear, deterioration, animals.** We won't cover loss caused by or resulting from:

- wear and tear;
- deterioration, rust, or any other corrosion;
- shrinkage, evaporation, loss of weight;
- changes in flavor, color, texture, or finish;
- nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals; or
- the inherent nature of the property.

**Inherent nature** means a latent defect or any quality in the property that causes it to deteriorate or destroy itself.

If a loss from fire, smoke, lightning, wind, hail, explosion, vehicles, aircraft, vandalism, malicious mischief, civil disturbance, riot, leakage from fire extinguishing equipment, sinkhole collapse, volcanic action, building glass breakage, falling objects, weight of ice, snow, or sleet or water damage results, we'll pay for that resulting loss.

**Water damage** means the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance, other than a sump system, containing water or steam.

2. The following is added to the Exclusions - Losses We Won't Cover section.

**Mold or other fungi, wet or dry rot, or bacteria.** We won't cover loss caused directly or indirectly by mold or other fungi, wet or dry rot, or bacteria. But this exclusion does not apply to the additional coverage for mold or other fungi, wet or dry rot, or bacteria.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**Mold or other fungi** means:

- any type or form of mold or mildew;
- any other type or form of fungus; or
- any mycotoxin, spore, scent or byproduct that's produced or released by such mold, mildew, or other fungus.

**Bacteria** means:

- any type or form of bacterium; or
- any mycotoxin, spore, scent or byproduct that's produced or released by such bacterium.

3. The following additional coverage is added to your insuring agreement.

### Mold Or Other Fungi, Wet Or Dry Rot, Or Bacteria

We'll pay up to \$25,000 per loss event for loss or damage caused by or resulting from mold or other fungi, wet or dry rot, or bacteria if such mold or other fungi, wet or dry rot, or bacteria is caused by or results from any of the following covered causes of loss:

- fire;
- lightning;
- explosion;

- wind or hail;
- smoke;
- vehicles and aircraft;
- civil disturbance and riot;
- vandalism;
- sprinkler leakage;
- sinkhole collapse;
- volcanic action;
- falling objects;
- weight of snow, ice or sleet; or
- water damage.

If your policy includes coverage for flood, sewer backup, earthquake, or earth movement it will also be considered a covered cause of loss for mold or other fungi, wet or dry rot, or bacteria.

This \$25,000 is the most we'll pay regardless of the number or type of coverages that may apply, the number of locations to which this additional coverage applies, or regardless of the number or type of mold or other fungi, wet or dry rot, or bacteria that caused the loss or damage. When this agreement and any other insuring agreement or endorsement written by us apply to the same mold or other fungi, wet or dry rot, or bacteria loss, \$25,000 is the most we'll pay on a combined total basis for all such loss. This amount is not in addition to the limits of coverage for any building, business personal property, flood, sewer backup, earthquake, or earth movement, or time element coverage shown in the Coverage Summary.

Time element coverage includes any of the following:

- blanket earnings and expense;
- business income and extra expense;
- extra expense;
- business income from dependent properties; or
- valued business income.

A higher additional limit may be purchased. If so, the revised limit for mold or other fungi, wet or dry rot, or bacteria will be shown in the Coverage Summary.

We won't pay for the costs associated with the enforcement of any ordinance, regulation, or law which requires you or anyone else to:

- test for, monitor, clean up, remove;
- contain, treat, detoxify, neutralize; or
- in any way respond to, or assess the effects of mold or other fungi, wet or dry rot, or bacteria.

4. The Seepage or leakage exclusion is replaced by the following.

**Seepage or leakage.** We won't cover loss caused by or resulting from water or steam that seeps or leaks, or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more.

#### **Other Terms**

All other terms of your policy remain the same.





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**VALUABLE PAPERS PROTECTION**

The **St Paul**

We've designed this agreement to protect against direct losses to your valuable papers and records.

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**Other Rules For This Agreement.**

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 Insurance For Your Benefit  
 How A Loss Affects Your Limit Of Coverage  
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**What This Agreement Covers**

We'll protect your Valuable papers against risks of direct physical loss or damage except those excluded in the Exclusions - Losses Not Covered section. We'll also protect anyone else's valuable papers and records that are in your care. Your limits of coverage are shown in the Coverage Summary.

*Valuable papers* mean account books, manuscripts, abstracts, drawings, card index systems, and other printed or written documents. Valuable papers also include maps, films, tapes and other such materials.

We won't cover the following:

- money and securities;

*Money* means currency, coins, and bank notes, regardless of whether or not they're still in use. Also travelers checks, register checks and money orders.

*Securities* mean negotiable or non-negotiable instruments or contracts that represent money or other property. These include tokens, tickets, revenue and other stamps.

- computer programs or other data or instructions used in your computer operations;
- property not specifically shown in the Coverage Summary that can't be replaced with other property of similar kind and quality;
- property that is used as samples or is sold and held for delivery;
- property that's in storage away from the locations shown in the Coverage Summary;
- illegal property or contraband; and
- property that is away from your premises while in the care, custody or control of a borrower or renter, but this only applies to libraries.

**Coverage Extensions**

**Preservation of property coverage.** We'll also cover your Valuable papers while they're away from a covered location at a safe place because of imminent danger of loss. We'll cover those records while they're being moved to and from that safe place. But you must tell us within 10 days after you move the records for this coverage to apply. The limit of coverage for removal is the same as the limit shown in the Coverage Summary for your covered location.

**Property away from described premises.** We'll also pay up to \$5,000 for loss or damage to covered property while it is away from the location described in the Coverage Summary. However,

you may choose a higher limit of coverage. The limit for this coverage extension will be shown in the Coverage Summary.

### **Where You're Covered**

Your property is covered for losses that occur on your premises, which is shown on the Coverage Summary. It's also covered while in transit or within the premises of others within the United States of America, Puerto Rico or Canada.

### **Exclusions – Losses Not Covered**

**War.** We won't cover loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- war (declared or undeclared);
- warlike action by a military force including anything done to hinder or defend against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
- invasion or insurrection;
- rebellion, revolution or civil war;
- seizure of power; or
- anything done to hinder or defend against these actions.

**Nuclear activity.** We won't cover loss caused directly or indirectly by nuclear reaction, nuclear radiation, or radioactive contamination. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But if loss or damage by fire results, we'll pay for that resulting loss or damage, if it would otherwise be covered under this agreement.

**Government action.** We won't cover loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- seizure or destruction of property under quarantine or customs regulation; or
- confiscation by any government or public authority.

But we will cover acts of destruction that are ordered by a government authority at the time of a fire to prevent it's spreading, if the fire is a covered cause of loss.

**Weather conditions.** We won't cover loss caused by weather conditions. This exclusion only applies if weather conditions contribute in any way with a cause or event not covered because of the following exclusions:

- War.
- Nuclear activity.
- Governmental action.

But if a loss not otherwise excluded results, we'll pay for that resulting loss.

**Acts or decisions of people.** We won't cover loss caused by any act or decision or by the failure to act or decide, of any person, group, organization or unit of government. But if a loss not otherwise excluded results, we'll pay for that resulting loss.

**Planning, design, materials, maintenance.** We won't cover loss caused by faulty, inadequate or defective:

- planning, zoning, development, surveying, siting;
- design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance.

But if a loss not otherwise excluded results, we'll pay for that resulting loss.

**Delay – loss of market.** We won't cover loss caused by delay, loss of market, loss of use, or any indirect loss.

**Wear – tear – deterioration – animals.** We won't cover loss caused or made worse by:

- wear and tear, marring or scratching.

- deterioration, mold, wet or dry rot, rust or corrosion.

- contamination.
- the inherent nature of the property.

**Inherent nature** means a latent defect of any quality in the property that causes it to deteriorate or destroy itself.

- animal and insect pests, including birds, mice, rats and termites.

If a loss that would otherwise be covered results from one of these causes, we'll pay for direct loss that results.

**Vandalism.** We won't cover loss caused by vandalism or mutilation by anyone using the property on your premises, but this exclusion only applies to libraries.

**Dishonesty.** We won't cover loss caused by any fraudulent, dishonest or criminal act committed by:

- you or by a partner, director, officer, trustee, agent or employee of yours;
- anyone else with an interest in the property or their employees; or
- anyone else to whom the property is entrusted except carriers for hire.

But this exclusion won't apply to acts of destruction by an employee of yours other than theft.

**Disappearance – inventory loss.** We won't cover loss of property that just disappears or that you find missing when you take inventory, but this exclusion only applies to libraries.

**Unauthorized instruction.** We won't cover loss resulting from unauthorized instructions from anyone to transfer property to any person or place.

**Loss from an audit of records.** We won't cover any loss that is dependent on an audit of your records to prove it's existence. But this doesn't apply to audits that support evidence of a loss that we would otherwise pay, but this exclusion only applies to libraries.

**Borrower's failure to return.** We won't cover loss if a borrower or renter fails to return the property to you, but this exclusion only applies to libraries.

**Electronic recordings.** We won't cover loss to electronic recordings caused by electrical or magnetic injury, disturbance or erasing. But this exclusion doesn't apply to direct loss caused by lightning.

**Voluntary surrender.** We won't cover the loss if covered property is voluntarily sold or given to someone who obtains it by trick, false pretense or other fraudulent schemes.

**Copying errors.** We won't cover loss resulting from any errors or omissions in copying.

### Rules For Loss Adjustment

When a loss occurs, we'll consider the following factors in determining what we'll pay:

### **How Your Property Is Valued**

We'll pay the smallest of the following:

- the actual cash value of the lost or damaged property at the time of loss;
- the amount it would cost to repair or replace the property with similar kind or quality; or
- the limit of coverage that applies to the property.

**Special items.** If you have a special item which can't be replaced with another of similar kind and quality, it will only be covered if the item is specifically listed in the Coverage Summary. If such an item is listed, it will also show a separate limit of coverage.

**Pairs and sets.** One or more parts of a pair or set may be lost or damaged. If this happens, we'll consider the importance of the lost or damaged part to the set in determining the amount we'll pay. We'll be fair and reasonable, but we won't pay for the whole set.

### **Limits Of Coverage**

The Coverage Summary will show a Limit of Coverage for each covered location. This is the most we'll pay for all loss or damage in any one event.

*Covered location* means the interior part of the building at the address shown in the Coverage Summary that you occupy for your business.

### **Deductible**

A deductible amount may be shown in the Coverage Summary. If so, you'll be responsible for this amount of loss in each event. We'll pay the rest of your covered loss up to the limit of coverage that applies.

### **Adjusting Losses**

If there's a covered loss to property of others in your care, custody or control, we can settle directly with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim you make for the same loss. We also have the right to defend you against any legal action brought against you. If we do, we'll pay the expense of this defense, and such expense won't reduce your Limit of Coverage.

### **Other Insurance**

Other insurance may be available to cover your loss. If so, we'll pay the amount of your covered loss that's left after the other insurance has been used up, less the deductible. But we won't pay more than the applicable limit of coverage under this agreement.

**Two or more agreements in this policy.** If two or more agreements in this policy apply to the same loss, we won't pay more than the actual amount of the loss. You can't recover twice for the same loss.

### **When We'll Pay For Loss**

We'll pay any covered loss no later than 30 days after:

- we reach an agreement with you;
- a final judgment is entered; or
- an appraisal award is filed.

### **Other Rules For This Agreement.**

#### **Protecting Your Records**

Whenever you're not open for business, and you're not actually using the valuable papers and records, you must keep your valuable papers and records in the receptacle described in the Coverage Summary.

#### **Preserving your rights**

The following replaces the Recovering Damages From A Third Party section in the General Rules.

You must do all you can to preserve any rights you have to recover your loss from others. Anyone to whom or for whom we make a loss payment must transfer those rights of recovery to us.

Before a loss occurs, you can give anyone a written release from any responsibility for losses to property. You can also accept ordinary bills of lading from a shipper, even if they limit the carrier's liability for losses.

#### **Insurance For Your Benefit**

This insurance is for your benefit. No third party having temporary possession of your property, such as a transportation company, can benefit directly or indirectly from it.

#### **How A Loss Affects Your Limit Of Coverage**

If you have a loss and we pay a claim, your Limit of Coverage won't be reduced for any later loss that occurs while this agreement is in effect. But if a total loss occurs to a specific

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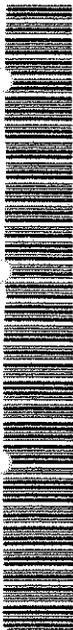
item listed in the Coverage Summary, we'll refund the unused premium for that item, and coverage for the item will no longer apply.

**Abandoned Property**

You can't abandon property to us at any time.

**Recoveries**

Any recovery or salvage you receive after we've reimbursed you for loss will belong to us. But only for it's value up to the amount we've paid you. The rest is yours.





**CONTRACTOR'S EQUIPMENT PROTECTION  
COVERAGE SUMMARY**

The **St Paul**

This Coverage Summary shows the limit and extent of your Contractor's Equipment Protection.

**Coverage Summary**

*indicates applicable.*

**Scheduled equipment**

**Limit of coverage**

See schedule attached

Schedule on file

\$ 154,655

Unscheduled equipment you own or have in your care that is used in your business, but no more than \$ for any one item.

\$

Unscheduled equipment leased or rented from others that is used in your business, but no more than \$ 200,000 for any one item.

\$ 200,000

Catastrophe limit

\$ 354,655

**Your Rates**

Scheduled Equipment

per \$100 of value

Unscheduled Equipment you own

per \$100 of value

Unscheduled Equipment you lease or rent from others

per \$100 of rental fees

Deposit and minimum annual premium

(included in premium on Introduction page)

**Your Deductible**

\$ 1,000

All Coverages

All Coverages Except As Indicated Below

\$  
\$  
\$  
\$

**Increased Additional Benefits Coverage**

Employee Tools

increased to:

\$

any one employee

\$

maximum any one loss

Rental Expenses

increased to:

\$

any one day

\$

maximum any one loss

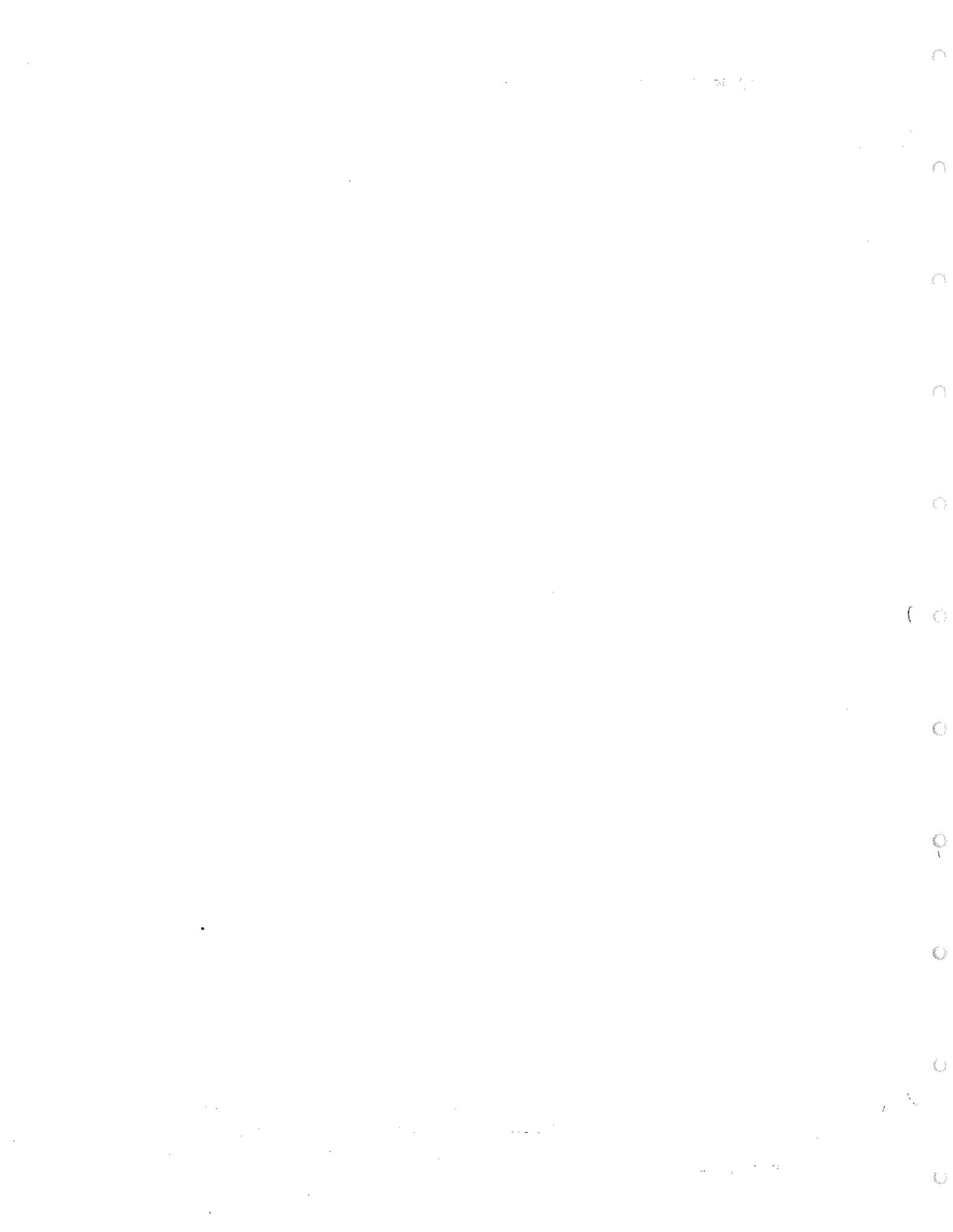
**Name of Insured**

**Policy Number** GP09313204

**Effective Date**

CITY OF WILLIAMSTOWN

**Processing Date** 10/12/04 09:27 001



**CONTRACTOR'S EQUIPMENT PROTECTION**

The **St Paul**

We've designed this agreement to protect against a variety of losses. Of course, there are limitations and they are explained later in this agreement.

<b>Table of Contents</b>	<b>Page</b>	<b>What This Agreement Covers</b>
<b>What This Agreement Covers</b>	1	This agreement protects against risks of direct physical loss or damage to contractor's equipment, including spare parts and accessories, that you own or for which you are legally responsible. If limits are shown in the Coverage Summary, we'll cover unscheduled equipment leased or rented from others. There are some limitations to your coverage which will be explained in this agreement. To be covered, the property must either be scheduled, or it must be included under "Unscheduled equipment used in your business." Loss or damage to the equipment must occur while this agreement is in effect.
<b>Property Covered</b>	1	
Scheduled Equipment	1	
Unscheduled Equipment	1	
Unscheduled Equipment Leased Or Rented From Others	1	
Property With Limited Coverage	2	
Property Not Covered	2	
<b>Additional Benefits</b>	2	
Newly Acquired Equipment	2	
Debris Removal	2	
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Preserving Your Rights	5	
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		<b>Property Covered</b>
		<b>Scheduled Equipment</b>
		When the scheduled equipment box is checked in the Coverage Summary, we'll cover only that equipment listed on the schedule provided to us. The limit of coverage on any one item will not exceed the amount shown for that item on the schedule.
		<b>Unscheduled Equipment</b>
		If a limit is shown in the Coverage Summary, we'll cover unscheduled equipment you own or for which you are legally responsible.
		<b>Unscheduled Equipment Leased Or Rented From Others</b>
		If shown in the Coverage Summary, we'll cover unscheduled equipment in your care that's been leased or rented from others. If you have sche-

cluded any leased or rented equipment, this section does not apply to that equipment.

### **Property With Limited Coverage**

The following property is covered only to the extent explained below.

*Pairs and sets.* One or more parts of a pair or set may be lost or damaged. If this happens, we'll consider the importance of the lost or damaged part to the set in determining the amount we'll pay. We'll be fair and reasonable, but we won't pay for the whole set.

*Items with several parts.* If a part of an item made up of several parts is lost or damaged, we'll pay only for that part.

### **Property Not Covered**

We won't cover the following property under this agreement.

- Automobiles or similar vehicles.
- Marine equipment designed to be used on rivers, lakes or harbors.
- Any underground property.
- Accounts, money, securities, evidences of debt, deeds, or other valuable papers. Nor will we cover jewelry, precious stones or similar valuables.
- Plans, blueprints, designs or specifications.

### **Additional Benefits**

The following benefits are in addition to the limits of coverage shown in the Coverage Summary. All of the other terms in this agreement apply to these Additional Benefits.

### **Newly Acquired Equipment**

We'll pay up to \$250,000 for newly acquired equipment for up to 60 days.

Insurance under this newly acquired property benefit will end when any of the following first occurs:

- This policy or this agreement is cancelled or expires.
- 60 days expire after you acquire the new equipment.
- You report the values of the newly acquired property to us.

We will charge you additional premium from the day the equipment is acquired.

### **Debris Removal**

If your covered property is damaged by a covered cause of loss, we'll pay a limited amount for the cost of removing debris of damaged insured property.

We'll pay up to 25% of the amount paid for direct physical loss or damage. The amount paid for direct physical loss includes any deductibles you pay.

But we won't pay for the debris removal of property which is a pollutant and which must be removed from water or from below the surface of the ground. Limited coverage for pollution clean-up and removal is provided elsewhere in this form.

We'll only pay debris removal expenses that are reported to us within 180 days of the earlier of:

- the date of direct physical loss or damage; or
- the end of the policy period.

### **Pollution Clean-up and Removal**

We'll pay up to \$10,000 for the cost to clean up and remove pollution that is in the land or water as a result of covered loss or damage to covered property.

We'll only pay for pollution clean up and removal if:

- the discharge, dispersal, seepage, migration, release, or escape of the pollutants is due to a covered cause of loss that occurs during the policy period to covered property.

To be covered, clean up and removal costs must be incurred and reported to us within 180 days of the earlier of:

- the date of direct physical loss or damage; or
- the end of the policy period.

The \$10,000 that we'll pay is the maximum in any one annual policy period regardless of the number of events that occur. This limit is not subject to the deductible shown in the Coverage Summary.

### Rental Expenses

We'll pay up to \$1,000 a day subject to a maximum of \$10,000 for any one loss for necessary rental expenses you incur to continue, as nearly as possible, your normal business operations after covered equipment is damaged or destroyed by a covered cause of loss.

*Normal business operations* means the state that would have existed had no damage occurred.

We'll pay such rental expenses for the time it would reasonably take to repair or replace the damaged equipment beginning from 72 consecutive hours after the loss has occurred until the limit of coverage is exhausted, or the damaged equipment is repaired or replaced, whichever occurs first. The damage or destruction must take place while this agreement is in effect. This period is not limited by the expiration date of this agreement, however, you agree to resume normal operations as soon as possible. A higher limit may be provided if so indicated in the Optional Coverage Summary.

### Employees Tools Coverage

We'll cover loss or damage to your employees' tools at a location you own or occupy or at your jobsite for up to \$1,000 per employee and a maximum of \$5,000 in any one loss. A \$250 deductible applies to this additional benefit. A higher limit may be provided if so indicated in the Optional Coverage Summary.

### Optional Equipment On Water Coverage

If indicated in the Coverage Summary, we'll cover loss to covered equipment while it's on water, subject to the limit of coverage indicated in the Coverage Summary, unless excluded elsewhere in this form.

### Where We Cover

We'll cover losses that occur in the United States and Canada. We'll also cover losses that occur in transit between these places.

### Exclusions – Losses We Won't Cover

When we use the word "loss" in this section we also mean damage.

**Wear – deterioration – climate.** We won't cover loss resulting from any of the following causes:

- Wear and tear.
- Gradual deterioration.
- Corrosion or rust.
- Dampness, dryness, cold, or heat.

**Inherent nature.** We won't cover loss resulting from the inherent nature of the property. By inherent nature we mean a latent defect or any quality in the property that causes it to deteriorate or destroy itself.

**Mechanical breakdown.** We won't cover loss caused by mechanical breakdown. If fire results, we'll pay for losses caused directly by the fire itself.

**Electrical breakdown.** We won't cover loss to electrical equipment, including wiring, caused by electricity other than lightning. But if a fire or explosion results, we'll pay for that resulting loss.

**Disappearance – inventory loss.** We won't cover property that just disappears or that you find missing when you take inventory.

**Equipment on water.** We won't cover loss, except by fire, to covered property while it's on water.

But this exclusion won't apply if the Coverage Summary shows that the Optional Equipment On Water Coverage extension applies.

**Dishonesty.** We won't cover losses resulting from any dishonest or criminal act committed by you, your employees, your agents, or by anyone who has an interest in covered property. Nor will we cover dishonest acts by anyone else you've entrusted the property to other than a hired transportation carrier.

**Nuclear activity.** We won't cover any loss caused by nuclear reaction, nuclear radiation, or radioactive contamination. And we don't intend these causes of loss to be considered fire, smoke, explosion, or any other insured peril. But we will cover direct loss by fire resulting from nuclear reaction, nuclear radiation, or radioactive contamination if the loss would otherwise be covered under this agreement.

**War and government seizure.** We won't cover any loss or damage caused by:

- war (declared or undeclared);
- invasion or insurrection;
- rebellion, revolution, or civil war;
- seizure of power; or anything done to hinder or defend against these actions.

We won't cover seizure or destruction of your property under quarantine or Customs regulations, or confiscation by any government or public authority. Nor will we cover illegal transportation or trade.

### **Rules For Loss Adjustment**

When a loss occurs, we'll consider the following factors in determining what we'll pay:

- your limits of coverage;
- your deductible; and
- other insurance.

The following sections explain how these factors affect the actual amount we'll pay.

### **Limits Of Coverage**

The most we'll pay for a covered loss is the applicable limit of coverage shown in the Coverage Summary. For scheduled equipment

coverage, the most we'll pay for any one item is the limit of coverage that is shown on the schedule for that item. For unscheduled equipment you own or rent or lease from others, the most we'll pay is the limits of coverage shown in the Coverage Summary.

**Catastrophe limit.** The catastrophe limit shown in the Coverage Summary is the most we'll pay for all losses from any one event no matter how many protected persons, property owners, or financial interests or types of covered property are involved. This limit applies to all losses, expenses, and salvage charges combined.

### **How Your Property Is Valued**

We'll pay either the cost of repairing or replacing the property with similar kind or quality or the actual cash value of the property at the time of the loss, whichever is less.

*Actual cash value* means the cost of repairing or replacing damaged property including deduction for depreciation.

### **Deductible**

Your deductible is shown in the Coverage Summary. You'll be responsible for this amount of loss in each event. We'll pay the rest of your covered loss up to the limits of coverage that apply.

If you have chosen different deductibles for different covered items and a loss occurs that involves these different items, you'll be responsible for the largest of the deductibles for those items.

### **Other Insurance**

Other insurance may be available to cover a loss. If so, we'll pay the amount of your covered loss that's left after the other insurance has been used up, less your deductible. But we won't pay more than the applicable limits of your coverage under this agreement.

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## Other Rules For This Agreement

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### Reports and Premiums

The Optional Coverage Summary may show that the premium for this agreement is subject to quarterly or annual reporting. If so, the following rules apply:

**Quarterly reporting.** You must report to us the total value of your owned equipment each quarter.

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The Optional Coverage Summary will show what your rate is for each \$100 of reported value. Your deposit premium is shown in the Optional Coverages Summary. Each quarterly premium will be subtracted from your deposit premium, until your deposit premium is exhausted. Once the deposit premium is exhausted, you'll pay the quarterly premium with each report.

Each year, when this agreement ends, we'll figure the premium we've actually earned based on the values you've shown on your reports during the time this agreement was in effect. We'll figure the total amount you've paid by adding the deposit premium to any quarterly payments you paid. If the final premium is more than you paid, you'll owe us the difference. If it's less, we'll return the difference. But your premiums will never be less than the Minimum Annual Premium shown in the Optional Coverage Summary.

**Annual reporting.** You must submit a schedule of property covered as of the inception date of this policy and within thirty (30) days following each anniversary date of this policy. In the event of cancellation, you'll submit a schedule as of the cancellation date. All items with insured values of \$1,000 or more will be separately listed showing the amount of insurance for each item. All insured items valued under \$1,000 will be totaled and included as one item, described as Miscellaneous Covered Property.

The Optional Coverage Summary will show what your rate will be for each \$100 of value. Your deposit premium is shown in the Optional Coverages Summary. Each year, and when this agreement ends, we'll figure the premium we've actually earned by multiplying the rate shown in the Optional Coverage Summary by the average value of the schedules you have reported at the inception of the current policy term and at the end of the current policy term. If the final premium is more than you paid, you'll owe us the difference. If it's less, we'll return the difference. But your premiums will never be less than the Minimum Annual Premium shown in the Optional Coverage Summary.

### Preserving Your Rights

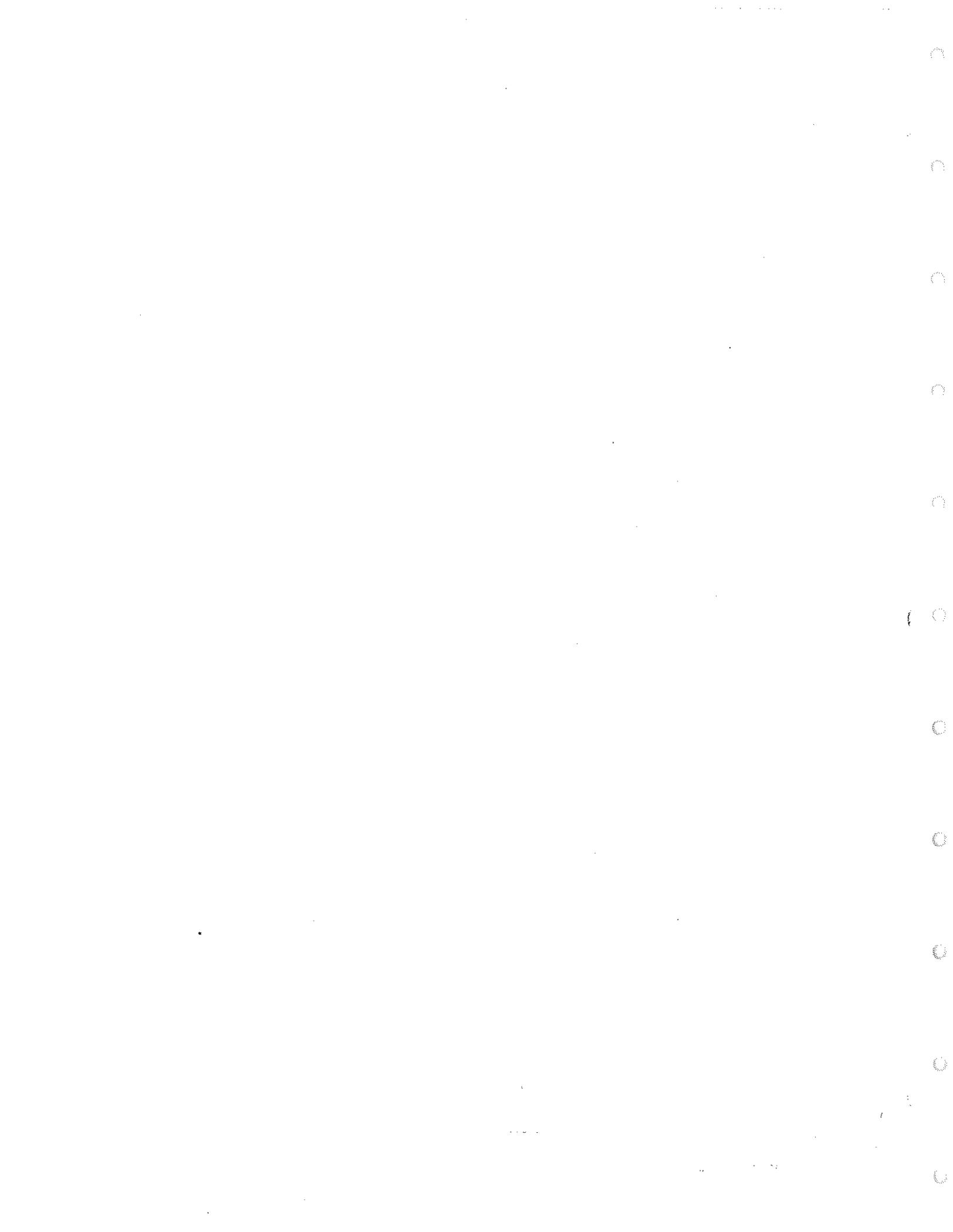
You must do all you can to preserve any rights you have to recover your loss from others. If you do anything to impair these rights, we won't pay for your loss. However, before a loss occurs, you can give others a written release from responsibility for losses to property. You can also accept ordinary bills of lading from a shipper, even if they limit the carrier's liability for losses.

### Expenses For Reducing Loss

When a covered loss occurs, you must do everything possible to protect property from further damage. Keep a record of your expenses. We'll pay our share of reasonable and necessary expenses incurred to reduce the loss or protect covered property from further damage. We'll figure our share and your share of these expenses in the same proportion as each of us will benefit them.

### Insurance For Your Benefit

This insurance is for your benefit. No third party having temporary possession of the property, such as a transportation company, can benefit directly or indirectly from it.



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**PROTECTION FOR MISCELLANEOUS PROPERTY**

The **St Paul**

We've designed this agreement to protect listed property against all risks of direct loss or damage with some limitations.

---

**Coverage Summary**

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Description of property	Limit of Coverage
Miscellaneous Scheduled Property on file with the company.	\$137,137
Miscellaneous Unscheduled Property on file with the company. (Maximum any one item \$500)	\$ 43,350
Total	\$ 180,487

---

**Your deductible.** You'll be responsible for the first \$ 1,000 of each loss. We'll pay the rest of your covered loss up to the limits of coverage that apply.

---

**Who We'll Pay For Loss**

We'll pay you and:

---

**What This Agreement Covers**

This agreement protects against all risks of direct physical loss or damage to property you own or have in your care. To be covered, the property must be listed above and the loss or damage must take place while this agreement is in effect.

Of course, there are some limitations to your coverage which will be explained later in this agreement.

**Property with limited coverage.** The following property is covered only to the extent explained below.

*Pairs and sets.* One or more parts of a pair or set may be lost or damaged. If this happens, we'll consider the importance of the lost or damage part to the set in determining the amount we'll pay. We'll be fair and reasonable, but we won't pay for the whole set.

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**Name of Insured**  
CITY OF WILLIAMSTOWN

**Policy Number** GP09313204  
**Processing Date** 10/12/04

**Effective Date**  
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**Machinery.** If a part of a machine or other item made up of several parts is lost or damaged, we'll pay only for that part.

**Labels.** If only the labels on your goods are damaged, we'll pay for new labels and the cost of putting them on.

### **Where We Cover**

We'll cover losses that occur in the continental United States, Alaska, Hawaii and in Canada. We'll also cover losses that occur in transit between these places.

### **Exclusions—Losses We Won't Cover**

When we use the word loss in this section we also mean damage.

**Wear—deterioration—pests.** We won't cover loss resulting from any of the following causes:

- wear and tear;
- inherent nature of the property;
- gradual deterioration;
- insect or animal pests like termites or mice;
- atmospheric or climatic changes; or
- extremes of temperature.

**Work.** We won't cover loss or damage caused by any process. Nor will we cover loss or damage that occurs while the property is actually being worked on and results from such work.

**Marring or scratching.** We won't cover loss caused by leakage, denting, marring or scratching. We will, however, cover such loss if it's the direct result of fire, lightning or windstorm or from the collision, upset or overturning of the transporting vehicle.

**Water transport.** We won't cover loss to covered property while it's being transported by water. We will, however, cover loss caused by fire aboard a water transport.

**Mechanical breakdown.** We won't cover loss caused by mechanical breakdown or electrical damage to electrical appliances or devices, including wiring, unless it is caused by light-

ning. But, if fire results, we'll pay for losses caused directly by the fire itself.

**Unattended property.** We won't cover loss by theft or pilferage that occurs while the insured property is left in or on an unattended and unlocked vehicle, motorcycle or trailer (other than a public means of transportation). But we'll pay for property stolen from a locked vehicle or luggage compartment when there are visible marks of forced entry.

**Dishonest acts.** We won't cover losses resulting from any dishonest or illegal act committed by you or your employees or agents. Nor will we cover dishonest acts by anyone else you've entrusted your property to other than transportation carriers you hire.

**Disappearance—inventory loss.** We won't cover loss of property that just disappears or that you find missing when you take inventory.

**Nuclear activity.** We won't cover any loss caused by nuclear reaction, nuclear radiation, or radioactive contamination. And we don't intend these causes of loss to be considered fire, smoke, explosion, or any other insured peril. But we will cover direct loss by fire resulting from nuclear reaction, nuclear radiation or radioactive contamination if the loss would otherwise be covered under this agreement.

**War and government seizure.** We won't cover any loss, damage or injury caused by: War (declared or undeclared). Invasion. Insurrection. Rebellion. Revolution. Civil war. Or seizure of power. Or anything done to hinder or defend against these actions. We won't cover seizure or destruction of your property under quarantine or Customs regulations, or confiscation by any government or public authority. Nor will we cover illegal transportation or trade.

### **What We'll Pay**

We'll pay either the cost of repairing or replacing the property with similar kind and quality or the actual cash value of the property at the time of loss, whichever is less. The limit of coverage that applies as shown in the Coverage Summary is the most we'll pay for all loss from any one event no matter how many protected persons,

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property owners or financial interests are involved.

**Insuring to value.** The premium for this coverage is based on your promise to insure property for 100% of its actual cash value. At the time of loss we'll subtract your deductible from the loss to get your net loss. Then we'll figure what we'll pay using the following formula:

$$\frac{\text{amount of insurance}}{\text{actual cash value}} \times \text{net loss} = \frac{\text{amount}}{\text{pay}} \text{ we'll pay}$$

If you're insured to value, we'll pay 100% of your covered net loss. However, if you're not insured to value, you'll have to share in the loss. For example:

*You have a \$2,000 loss to property insured for \$2,500. But at the time of loss, the actual cash value of property is \$5,000. If your deductible is \$100, we subtract that amount from your loss to get you net loss of \$1,900. Using these figures we apply the formula:*

$$\frac{\$2,500}{\$5,000} = \frac{1}{2} \text{ or } 50\% \times \$1,900 = \$950$$

*From this example, you can see that it's important to insure property for 100% of its value.*

**Other insurance.** Other insurance may be available to cover a loss. If so, we'll pay the amount

of loss that's left after the other insurance has been used up. But we won't pay more than the limit of coverage that applies under this agreement.

**Preserving Your Rights**

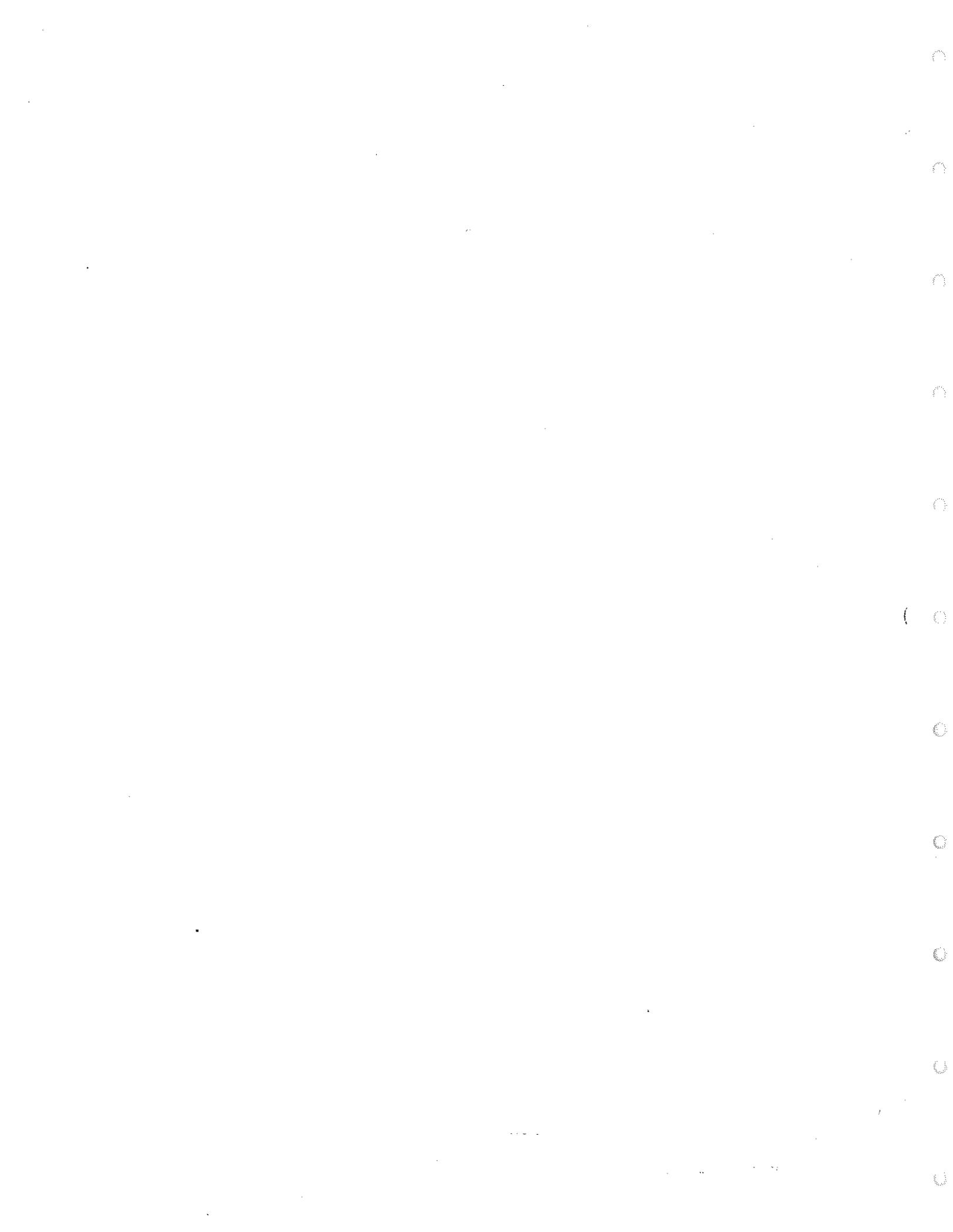
You must do all you can to preserve any rights you have to recover your loss from others. If you do anything to impair these rights, we won't pay for your loss. However, before a loss occurs, you can give others a written release from any responsibility for losses to property. You can also accept ordinary bills of lading from a shipper, even if they limit the carrier's liability for losses.

**Expenses For Reducing Loss**

When a covered loss occurs, you must do everything possible to protect the property from further damage. Keep a record of your expenses. We'll pay our share of reasonable and necessary expenses incurred to reduce the loss or protect covered property from further damage. We'll figure our share and your share of these expenses in the same proportion as each of us will benefit from them.

**Insurance For Your Benefit**

This insurance is for your benefit. No third party having temporary possession of the property, such as a transportation company, can benefit directly or indirectly from it.



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## WHO WE'LL PAY FOR LOSS

The **St Paul**

This endorsement changes your:  
Inland Marine

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## How Your Coverage Is Changed

We'll adjust any loss with you. However, our payments for property loss will be made to you and the person or organization shown below based on the interest each of you has in the covered property.

---

Person or organization  
Progressive Bank  
P.O. Box 160  
Buckhannon, WV 26201

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Description of property	Covered perils	Limit of coverage
Scheduled Contractor's Equipment on file with company.	All Risk	\$154,655

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## Other Terms

All other terms of your policy remain the same.

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**Name of Insured**  
CITY OF WILLIAMSTOWN

**Policy Number** GP09313204  
**Processing Date** 10/12/04

**Effective Date**  
09:27 001

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CC: 000 D559

# WHO WE'LL PAY FOR LOSS

The **St Paul**

This endorsement changes your:  
Inland Marine

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## How Your Coverage Is Changed

We'll adjust any loss with you. However, our payments for property loss will be made to you and the person or organization shown below based on the interest each of you has in the covered property.

---

Person or organization  
D.J.L. Material & Supply, Inc.  
P.O. Box 5293  
Akron, OH 44334

Description of property	Covered perils	Limit of coverage
2000 Crafco Easy Pour Machine	All Risks	\$30,000

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### Other Terms

All other terms of your policy remain the same.

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**Name of Insured**  
CITY OF WILLIAMSTOWN

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**Processing Date** 10/12/04

**Effective Date**  
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## MOLD OR BACTERIA EXCLUSION WITH NAMED PERILS EXCEPTION ENDORSEMENT

The **St Paul**

This endorsement changes your Valuable Papers Protection insuring agreement. It applies to all property unless otherwise specified in the Coverage Summary.

### How Coverage Is Changed

There are three changes which are explained below. These changes limit coverage.

1. The Wear - tear - deterioration - animals exclusion is replaced by the following.

**Wear - tear - deterioration - animals.** We won't cover loss caused or made worse by:

- wear and tear, marring or scratching.
- deterioration, rust, or any other corrosion.
- contamination.
- the inherent nature of the property.

*Inherent nature* means a latent defect or any quality in the property that causes it to deteriorate or destroy itself.

- animal and insect pests, including birds, mice, rats and termites.

If a loss that would otherwise be covered results from one of these causes, we'll pay for direct loss that results.

2. The following is added to the Exclusions - Losses We Won't Cover section.

**Mold or other fungi, wet or dry rot, or bacteria.** We won't cover loss caused directly or indirectly by mold or other fungi, wet or dry rot, or bacteria unless the mold or other fungi, wet or dry rot, or bacteria is caused by or results from any of the following covered causes of loss:

- fire;
- lightning;
- explosion;
- wind or hail;
- smoke;
- vehicles and aircraft;

- civil disturbance and riot;
- vandalism;
- sprinkler leakage;
- sinkhole collapse;
- volcanic action;
- falling objects;
- weight of snow, ice or sleet; or
- water damage.

If your policy includes coverage for flood, earthquake, or earth movement it will be considered a covered cause of loss for mold or other fungi, wet or dry rot, or bacteria. But the most we'll pay for such loss is the limit of coverage shown in the Coverage Summary for flood, earthquake, or earth movement.

However, we won't pay for the costs associated with the enforcement of any ordinance, regulation, or law which requires you or anyone else to:

- test for, monitor, clean up, remove;
- contain, treat, detoxify, neutralize; or
- in any way respond to, or assess the effects of mold or other fungi, wet or dry rot, or bacteria.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

*Mold or other fungi* means:

- any type or form of mold or mildew;
- any other type or form of fungus; or
- any mycotoxin, spore, scent or byproduct that's produced or released by such mold, mildew, or other fungus.

*Bacteria* means:

- any type or form of bacterium; or
- any mycotoxin, spore, scent or byproduct that's produced or released by such bacterium.

3. The following is added to the Exclusions - Losses We Won't Cover section.

**Seepage or leakage.** We won't cover mold or other fungi, wet or dry rot, or bacteria loss caused by or resulting from water or steam that seeps or leaks, or the presence or condensation of

humidity, moisture, or vapor, that occurs over a period of 14 days or more.

**Other Terms**

All other terms of your policy remain the same.

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**PUBLIC ENTITY GENERAL LIABILITY PROTECTION  
COVERAGE SUMMARY**

This Coverage Summary shows the limits of coverage that apply to your Public Entity General Liability Protection. It also lists those endorsements, if any, that must have certain information shown for them to apply.

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**Limits Of Coverage**

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<b>General total limit.</b>	\$	2,000,000
<hr/>		
<b>Products and completed work total limit.</b>	\$	2,000,000
<hr/>		
<b>Personal injury each person limit.</b>	\$	1,000,000
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<b>Advertising injury each person limit.</b>	\$	1,000,000
<hr/>		
<b>Each event limit.</b>	\$	1,000,000
<i>Failure to supply limit.</i>	\$	0
<i>Medical expenses limit.</i>	\$	0
<i>Premises damage limit.</i>	\$	500,000
<i>Sewer back-up limit.</i>	\$	100,000

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**Named Endorsement Table**

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**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

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<b>Name of Insured</b>	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
CITY OF WILLIAMSTOWN	<b>Processing Date</b> 10/12/04 09:27 001	

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## What This Agreement Covers

### **Bodily injury and property damage liability.**

We'll pay amounts any protected person is legally required to pay as damages for covered bodily injury or property damage that:

- happens while this agreement is in effect; and
- is caused by an event.

*Protected person* means any person or organization that qualifies as a protected person under the Who Is Protected Under This Agreement section.

*Bodily injury* means any physical harm, including sickness or disease, to the physical health of other persons.

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

We'll consider any bodily injury that's a continuation, change, or resumption of previously known bodily injury to happen before this agreement begins if such continuation, change, or resumption would otherwise be considered to happen while this agreement is in effect because of a continuous, multiple, or other coverage trigger required under the law that applies.

Of course, if there's a continuation, change, or resumption, after this agreement ends, of bodily injury that:

- isn't previously known bodily injury; and
- happens while this agreement is in effect; we'll consider such continuation, change, or resumption to also happen while this agreement is in effect if that would be the result because of a continuous, multiple, or other coverage trigger required under the law that applies.

*Previously known bodily injury* means bodily injury that happened before this agreement begins and was known by you, or

any described authorized person, before this agreement begins as a result of any of the following at that time:

- You, or such described authorized person, reporting all or part of that bodily injury to us or any other insurer.
- You, or such described authorized person, receiving a claim or suit for all or part of that bodily injury.
- Such described authorized person witnessing, or being told of, the beginning, or any change, continuation, or resumption, of all or part of that bodily injury.

*Described authorized person* means any person while he or she is your:

- Elected or appointed official, director, or executive officer, or member of any of your agencies, boards, or commissions.
- Employee and is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department.

*Property damage* means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged. For example:

*One of your employees accidentally causes a fire in your premises. The fire department responds and orders nearby businesses to close for safety reasons while it fights the fire. Your premises is heavily damaged by the fire. But none of the nearby businesses are physically damaged. As a result, we'll consider the period of time those businesses are closed due to your fire to be loss of use of tangible property of others that isn't physically damaged.*

We'll consider all physical damage to tangible property of others that's a continuation, change, or resumption of previously known physical damage to tangible property of others to happen before this agreement begins if such continuation, change, or resumption would otherwise be considered to happen while this agreement is in effect because of a continuous,

multiple, or other coverage trigger required under the law that applies.

Of course, if there's a continuation, change, or resumption, after this agreement ends, of physical damage to tangible property of others that:

- isn't previously known physical damage to tangible property of others; and
- happens while this agreement is in effect; we'll consider such continuation, change, or resumption to also happen while this agreement is in effect if that would be the result because of a continuous, multiple, or other coverage trigger required under the law that applies.

We'll consider all loss of use of:

- damaged tangible property to happen at the time of the physical damage that caused it; and
- undamaged tangible property to happen at the time the event that caused it begins; regardless of when such loss of use actually happens.

*Tangible property* doesn't include data.

*Previously known physical damage to tangible property of others* means physical damage to tangible property of others that happened before this agreement begins and was known by you, or any described authorized person, before this agreement begins as a result of any of the following at that time:

- You, or such described authorized person, reporting all or part of that property damage to us or any other insurer.
- You, or such described authorized person, receiving a claim or suit for all or part of that property damage.
- Such described authorized person witnessing, or being told of, the beginning, or any change, continuation, or resumption, of all or part of that property damage.

*Event* means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

We explain the terms:

- claim and suit in the Right and duty to defend a protected person section;
- other organization in the Public entity or other organization section; and
- employee in the Employees and volunteer workers section.

**Personal injury liability.** We'll pay amounts any protected person is legally required to pay as damages for covered personal injury that:

- results from your operations; and
- is caused by a personal injury offense committed while this agreement is in effect.

*Personal injury* means injury, other than bodily injury or advertising injury, that's caused by a personal injury offense.

*Personal injury offense* means any of the following offenses:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry into, or wrongful eviction from, a room, dwelling, or premises that a person occupies, if such entry or eviction is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, if such invasion is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Libel, or slander, in or with covered material.
- Making known to any person or organization covered material that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization covered material that violates a person's right of privacy.

*Covered material* means any material in any form of expression, including material made known in or with any electronic means of communication, such as the Internet.

But we won't consider the following to be covered material:

- Any website, part of a website, or content of a website, that's designed, built, maintained, or determined for others by or for any protected person whose business is designing, building, or maintaining, or determining the content of, websites for others.
- Any material made known in an electronic chatroom or bulletin board over which any protected person exercises control, or that any protected person hosts or owns.
- interest or participation in civic, educational, entertainment, recreational, or social activities or events;
- private or public development, growth, or investment;
- use of facilities or services by others; or
- visits by tourists, travelers, or membership, trade, or similar groups, organizations, or shows.

**Advertising injury liability.** We'll pay amounts any protected person is legally required to pay as damages for covered advertising injury that:

- results from the advertising of your facilities, operations, or services, or your products, your work, or your completed work; and
- is caused by an advertising injury offense committed while this agreement is in effect.

We won't consider advertising, borders, or frames for or of others, or links for or to others, that are on or in your website to be advertising of your facilities, operations, or services, or your products, your work, or your completed work.

**Advertising injury** means injury, other than bodily injury or personal injury, that's caused by an advertising injury offense.

**Advertising injury offense** means any of the following offenses:

- Libel, or slander, in or with covered material.
- Making known to any person or organization covered material that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization covered material that violates a person's right of privacy.
- Unauthorized use of any advertising idea or advertising material, or any slogan or title, of others in your advertising.

**Advertising** means attracting the attention of others by any means for the purpose of seeking or increasing:

**Advertising idea** means a manner or style of advertising that others use and intend to attract attention in their advertising.

But we won't consider information used to identify or record customers or supporters, such as a list of customers or supporters, to be an advertising idea.

**Advertising material** means any covered material that:

- is subject to copyright law; and
- others use and intend to attract attention in their advertising.

**Slogan** means a phrase that others use and intend to attract attention in their advertising.

But we won't consider slogan to include a phrase used as, or in, the name of:

- any person or organization, other than you; or
- any business, or any of the premises, products, services, work, or completed work, of any person or organization, other than you.

**Title** means a name of a literary or artistic work.

We explain the terms:

- covered material in the Personal injury liability section of this What This Agreement Covers section; and
- your products, your work, and your completed work in the Products and completed work total limit section.

**Medical expenses.** We'll pay covered medical expenses that are incurred for bodily injury which is caused by an event that:

- begins while this agreement is in effect; and

- results from your activities, happens at, on, or in any premises that you rent or lease from others, or own, or happens on the ways next to such premises;

even if the protected person isn't legally required to pay such expenses.

**Medical expenses** means the reasonable expenses incurred by any person or organization for necessary medical services received by a person anytime within three years of the beginning date of an event which causes that person to sustain bodily injury.

**Medical services** includes:

- first aid received at the time of an event;
- ambulance and emergency care services;
- dental, hospital, medical, nursing, surgical, x-ray, and other health care professional services;
- artificial limbs and organs; and
- funeral services.

We explain the term health care professional services in the Health care professional services exclusion.

**Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim or suit for injury or damage covered by this agreement. We'll have such right and duty even if all of the allegations of the claim or suit are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any event, offense, claim, or suit to the extent we believe is proper. We'll also have the right to settle any claim or suit within:

- any applicable deductible; or
- the available limit of coverage.

Our duty to defend protected persons ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or
- medical expenses.

**Claim** means a demand that seeks damages.

**Suit** means a civil proceeding that seeks damages. It includes:

- an arbitration proceeding for damages to which the protected person must submit, or submits with our consent; and
- any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent.

**Injury or damage** means:

- bodily injury, personal injury, or advertising injury; or
- property damage.

**Offense** means any:

- personal injury offense; or
- advertising injury offense.

**Additional payments.** We'll have the duty to make only the additional payments shown below in connection with any claim or suit under this agreement against a protected person when we:

- investigate or settle the claim or suit; or
- defend the protected person against the claim or suit.

These payments are in addition to the limits of coverage.

Our duty to make additional payments ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or
- medical expenses.

**Our expenses.** We'll pay all expenses we incur.

**Bail bonds.** We'll pay up to \$2,500 of the cost of bail bonds that are required because of accidents or violations of traffic laws. But only if the accidents or violations result from the use of a vehicle to which this agreement applies. We don't have to furnish such bonds.

**Bonds to release property.** We'll pay the cost of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the available

limit of coverage. We don't have to furnish such bonds.

*Expenses incurred by protected persons at our request.* We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim or suit. But we won't pay more than \$500 per day for earnings actually lost by the protected person because of time taken off from work.

*Taxed costs.* We'll pay all costs taxed against any protected person for covered injury or damage in a suit.

*Prejudgment interest.* We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of that offer.

*Postjudgment interest.* We'll pay all interest that accumulates on the full amount of that part of a judgment for which we make a payment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

*Appeal bonds.* If we have the duty to appeal a judgment that includes damages covered by this agreement, and you agree we can appeal that judgment, we'll pay the cost of any appeal bond required for that appeal. But only for that part of the judgment that is for damages covered by this agreement and is within the available limit of coverage. However, we'll pay, or reimburse the protected person, for the cost of a higher appeal bond amount if we're required to do so under the law that applies. But we won't be the principal under any such bond. Nor do we have to furnish any appeal bond. The results of an appeal won't change the limits of coverage that apply under this agreement.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment that we don't have a duty to appeal. But only if the judgment:

- includes damages covered by this agreement;
- is awarded in a suit for which we defend a protected person; and
- is awarded against the protected person.

If we appeal such a judgment, we'll pay the following that result directly from that appeal:

- All expenses we incur.
- All reasonable expenses that any protected person incurs at our request while helping us with the appeal, other than the cost of appeal bonds.
- The cost of any required appeal bond. But only for that part of the judgment that is for damages covered by this agreement and is within the available limit of coverage. However, we'll pay, or reimburse the protected person, for the cost of a higher appeal bond amount if we're required to do so under the law that applies. But we won't be the principal under any such bond. Nor do we have to furnish any appeal bond.
- All postjudgment interest that accumulates on the full amount of the judgment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

These payments are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### When This Agreement Covers

#### **Bodily injury and property damage liability.**

We'll apply this agreement to claims or suits for covered bodily injury or property damage whenever they're made or brought.

**Personal injury liability.** We'll apply this agreement to claims or suits for covered personal injury whenever they're made or brought.

**Advertising injury liability.** We'll apply this agreement to claims or suits for covered advertising injury whenever they're made or brought.

**Medical expenses.** We'll apply this agreement to covered medical expenses only when they're reported to us within one year of the beginning date of the event.

### Where This Agreement Covers

We'll apply, and make payments under, this agreement only in the coverage territory and only for:

- covered injury or damage that's caused by events which happen, or offenses which are committed, there, and
- covered medical expenses that are incurred for bodily injury which is caused by events that happen there.

However, we'll also apply, and make payments under, this agreement in the coverage territory for covered injury or damage that's caused by events which happen, or offenses which are committed, in the rest of the world if the protected person's liability for such injury or damage is determined in a suit on the merits in the coverage territory, or in a settlement agreed to by us, and:

- the events or offenses result from the activities of a person whose home is in the coverage territory, but is away from there for a short time on your business;
- the events result from your products that are made or sold by you in the coverage territory; or
- the offenses are committed in or with any electronic means of communication, such as the Internet.

For example:

*Your public official travels on an economic development fact-finding trip to Norway for two weeks. While there, the official allegedly causes bodily injury to a Norwegian citizen. A few months later, the Norwegian citizen sues you for the alleged bodily injury. If the suit is brought against you in the coverage territory, and it seeks damages for bodily injury covered by this agreement, we'll have the duty to defend you against the suit and pay covered damages awarded in a judgment against you. However, if the suit is brought against you in Norway, or*

*anywhere else outside of the coverage territory, we won't have a duty to defend you there. Also, we won't have a duty to pay a judgment awarded by a court there, even if the judgment is later recognized and enforced by a court in the coverage territory.*

**Coverage territory** means:

- the United States of America, including its territories and possessions;
- Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

We explain the term your products in the Products and completed work total limit section.

### Who Is Protected Under This Agreement

**Public entity.** If you're shown in the Introduction as a named insured and a public entity, you're a protected person.

#### **Elected or appointed officials and members.**

Your lawfully elected or appointed officials, directors, or executive officers, or members of any of your agencies, boards, or commissions, are protected persons only for the conduct of their duties as your lawfully elected or appointed officials, directors, executive officers, or members.

However, no elected or appointed official, director, executive officer or member is a protected person for bodily injury or personal injury to:

- you;
- any of your employees;
- the spouse, or any child, parent, brother, or sister, of that employee if such injury results from the bodily injury or personal injury to such employee;
- any fellow elected or appointed official, director, executive officer, or member; or
- the spouse, or any child, parent, brother, or sister, of that fellow elected or appointed official, director, executive officer, or member if such injury results from the bodily injury or personal injury



to such fellow elected or appointed official, director, executive officer, or member.

Nor is any elected or appointed official, director, executive officer, or member a protected person for any obligation to share damages with or repay someone else who must pay damages because of such bodily injury or personal injury.

Also, no elected or appointed official, director, executive officer, or member is a protected person for property damage to property that's controlled by:

- you;
- any of your employees; or
- that elected or appointed official, director, executive officer, or member.

But we won't apply the exclusions in this Elected or appointed officials and members section to premises damage.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you;
- their performance of duties related to the conduct of your operations; or
- their acts as good samaritans in response to an accident or public emergency.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

However, no employee or volunteer worker is a protected person for bodily injury or personal injury to:

- you;
- any of your elected or appointed officials, directors, executive officers, or members of any of your agencies, boards, or commissions;
- the spouse, or any child, parent, brother, or sister, of such elected or appointed official, director, executive officer, or member if such injury results from the bodily injury or personal injury to such elected or appointed official, director, executive officer, or member;

- any fellow employee;
- any fellow volunteer worker or any of your employees; or
- the spouse, or any child, parent, brother, or sister, of any fellow employee or any fellow volunteer worker, or any of your employees, which results from the bodily injury or personal injury to that fellow employee, that fellow volunteer worker, or that employee.

Nor is any employee or volunteer worker a protected person for any obligation to share damages with or repay someone else who must pay damages because of such bodily injury or personal injury.

Also, no employee or volunteer worker is a protected person for property damage to property that's controlled by:

- you;
- any of your elected or appointed officials, directors, executive officers, or members;
- that employee or any fellow employee; or
- that volunteer worker, any fellow volunteer worker, or any of your employees.

But we won't apply the exclusions in this Employees and volunteer workers section to premises damage.

Nor will we apply this Employees and volunteer workers section to your elected or appointed officials. Instead, we'll apply the Elected or appointed officials and members section to them.

*Employee* includes a leased worker, other than a leased temporary worker.

*Leased worker* means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's business.

*Volunteer worker* means any person who:

- isn't working within the scope of his or her employment as an employee or as a leased temporary worker;
- donates his or her work; and
- isn't paid a fee, salary, or other compensation for that work.

*Employee leasing firm* means any person or organization that hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

*Leased temporary worker* means a leased worker who is hired to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions.

*Controlled by* means:

- owned, rented, leased, occupied, borrowed, or used by;
- in the care, custody, or control of; or
- being physically controlled for any purpose by.

We explain the term premises damage in the Each event limit section.

**Real estate managers.** Your real estate managers are protected persons only for their management of premises that you rent, lease, or borrow from others, or own. They may be persons or organizations.

But we won't apply this Real estate managers section to your employees or volunteer workers. Instead, we'll apply the Employees and volunteer workers section to them.

**Landlords.** Any landlord, lessor, manager, or owner of a premises rented, loaned, or leased to, or borrowed by, you is a protected person only for the ownership, maintenance, or use of that premises while you rent, lease, or borrow it.

However, no landlord, lessor, manager, or owner of such premises is a protected person for injury or damage that results from any of the following work while being done by or for that landlord, lessor, manager, or owner:

- Structural changes.
- New construction work.
- Demolition work.

But we won't apply this Landlords section to your real estate managers. Instead, we'll apply the Real estate managers section, or the Employees and volunteer workers section, whichever section is applicable, to them.

**Equipment lessors.** Any lessor or owner of equipment rented or leased to you is a protected person only for your operation, maintenance, or use of that equipment while you rent or lease it.

However, no equipment lessor or owner is a protected person for injury or damage that results from its sole negligence.

**Operators of registered mobile equipment.** Any operator of registered mobile equipment is a protected person only for covered bodily injury or property damage that results from his or her driving of such equipment on a public street or road with your permission.

Any other person or organization legally responsible for the driving conduct of an operator of such mobile equipment is also a protected person only for such bodily injury or property damage. But only if there's no valid and collectible other insurance that applies to such liability and is available to that person or organization.

However, no operator of such mobile equipment or other person or organization is a protected person for:

- bodily injury to a fellow employee of the operator; or
- property damage to property controlled by you or the employer of the operator.

Also, if any operator of such mobile equipment is your employee or volunteer worker, we'll also apply the exclusions in the Employees and volunteer workers section to that operator to the extent those exclusions would otherwise apply.

*Registered mobile equipment* means mobile equipment that's registered in your name under a motor vehicle registration law.

We explain the terms:

- employee, volunteer worker, and controlled by in the Employees and volunteer workers section;

- mobile equipment in the Mobile equipment exclusion; and
- other insurance in the Other Insurance section.

**Watercraft users.** Any person or organization who uses or is responsible for the use of watercraft you own or use is a protected person. But only for covered bodily injury or property damage that results from the use of such watercraft with your permission.

**Persons or organizations as required by written contract.** Any person or organization that:

- is not otherwise a protected person under this agreement; and
- you agree in a written contract or agreement to add as an additional protected person under this agreement;

is a protected person, but only for covered injury or damage that results from your work for such person or organization.

However, no such person or organization under contract is a protected person for :

- injury or damage that results from its sole negligence; or
- bodily injury or property damage that happened, or personal injury or advertising injury caused by an offense that's committed, before such written contract is made.

We explain the term your work in the Products and completed work total limit section.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, all protected persons share the limits of coverage shown in the Coverage Summary. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

## Limits Of Coverage

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay as damages and medical expenses, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

**General total limit.** This is the most we'll pay for the combined total of:

- all covered bodily injury and property damage that happens in a policy year;
- all covered personal injury that's caused by all personal injury offenses committed in a policy year;
- all covered advertising injury that's caused by all advertising injury offenses committed in a policy year; and
- all covered medical expenses that are incurred for bodily injury which is caused by all events that begin in a policy year.

However, we won't apply this limit to bodily injury or property damage that results from your products or your completed work. Instead, we'll apply the products and completed work total limit to such bodily injury or property damage covered by this agreement.

*Policy year* means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period.*

*During the third policy year you request, and we provide, two separate extensions of the policy period: a three-month extension, and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applied when it was nine months long.*

We explain the products and completed work total limit, and the terms your products and your completed work, in the Products and completed work total limit section.

**Products and completed work total limit.** This is the most we'll pay for the combined total of:

- all covered bodily injury and property damage that results from your products and happens in a policy year; and
- all covered bodily injury and property damage that results from your completed work and happens in a policy year.

*Your products* means any of the goods or products that are or were manufactured, sold, handled, distributed, or disposed of by:

- you;
- others using your name; or
- any person or organization whose business or assets you've acquired.

Your products includes potable water sold by or distributed by you.

Your products also includes:

- all containers, equipment, materials, or parts provided with or for your products;
- any warranty provided with or for your products;
- any statement made, or that should have been made, about the durability, fitness, handling, maintenance, operation, performance, quality, safety, or use of your products; and

- all warnings, instructions, or directions provided, or that should have been provided, with or for your products.

But we won't consider the following to be your products:

- Goods or products that are still in your physical possession or on a premises that you rent, lease, or borrow from others, or own.
- Real property.
- Containers that are vehicles provided with or for your products.
- Property that's rented or leased to others.
- Property that you haven't sold, but which you allow others to use. For example, a vending machine.

*Your completed work* means your work that:

- is completed, including work that may need service, maintenance, correction, repair, or replacement, but which is otherwise complete; or
- has been abandoned by you.

We'll consider your work to be completed at the earliest of the following times:

- When all of the work called for in your contract has been completed.
- When all of the work to be done at the work site has been completed, if your contract calls for work at more than one site.
- When that part of the work at the work site has been put to its intended use by any person or organization, other than another contractor or subcontractor working on the same project.

Your completed work includes:

- any warranty provided with or for your completed work;
- any statement made, or that should have been made, about the durability, fitness, handling, maintenance, operation, performance, quality, safety, or use of your completed work; and
- all warnings, instructions, or directions provided, or that should have been provided, with or for your completed work.

But we won't consider the following to be your completed work:

- Uninstalled equipment, abandoned or unused materials or parts, or tools.
- Work done in connection with transporting property.
- Any premises or other real property that you own.
- Any work done to a premises or other real property that you rent or lease from others, or own.
- Any work while on a premises that you rent, lease, or borrow from others, or own.

However, we'll consider a condition created in or on a vehicle in the course of work done in connection with transporting property to be your completed work if:

- the vehicle isn't owned or operated by you;
- the condition is created by the loading or unloading of the vehicle by a protected person; and
- the condition causes bodily injury or property damage.

*Your work* means any:

- work that you're performing or others are performing for you; or
- service that you're providing or others are providing for you.

Your work includes:

- all equipment, materials, parts, or tools being provided or used with or for your work or service;
- any statement being made, or that should have been made, about the durability, fitness, handling, maintenance, operation, performance, quality, safety, or use of your work or service; and
- all warnings, instructions, or directions being provided, or that should have been provided, with or for your work or service.

We explain the term loading or unloading in the Auto exclusion.

**Personal injury each person limit.** This is the most we'll pay for all covered personal injury that:

- is sustained by any one person or organization; and
- is caused by all personal injury offenses committed in a policy year.

**Advertising injury each person limit.** This is the most we'll pay for all covered advertising injury that:

- is sustained by any one person or organization; and
- is caused by all advertising injury offenses committed in a policy year.

**Each event limit.** This is the most we'll pay for the combined total of:

- all covered bodily injury and property damage that's caused by any one event; and
- all covered medical expenses that are incurred for bodily injury which is caused by any one event.

However, the most we'll pay for covered bodily injury or property damage that's caused by any one event or covered medical expenses that are incurred for bodily injury which is caused by any one event is further limited by the following:

**Failure to supply limit.** This is the most we'll pay for all covered bodily injury, property damage, and medical expenses that:

- result from the failure of any protected person to adequately supply electricity, gas, oil, steam, or water service; and
- are caused by any one event.

**Medical expenses limit.** This is the most we'll pay for all covered medical expenses that are incurred for bodily injury which:

- is sustained by any one person; and
- is caused by any one event.

**Premises damage limit.** This is the most we'll pay for all covered premises damage that's caused by any one event.

**Premises damage** means property damage to:

- any premises that you rent, lease, or borrow from others; or
- the contents of any premises that you rent from others if you rent such premises

for a period of seven or fewer consecutive days.

**Sewer back-up limit.** This is the most we'll pay for all covered bodily injury, property damage, and medical expenses that:

- result from the back-up of sewage into a building from any sewage facility or sanitary sewer that you own, operate, or maintain; and
- is caused by any one event.

**How the limits of coverage apply if a total limit is left blank.** If the amount of the general total limit or the products and completed work total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the each event limit or \$200,000, whichever amount is more.

### Exclusions - What This Agreement Won't Cover

#### **Advertising, broadcasting, or publishing business.**

We won't cover personal injury that results from any of the following personal injury offenses committed by or for any protected person whose business is advertising, broadcasting, or publishing, if such offense is committed in any advertising, broadcasting, or publishing done by or for that protected person:

- Libel, or slander, in or with covered material.
- Making known to any person or organization covered material that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization covered material that violates a person's right of privacy.

Nor will we cover advertising injury that results from an advertising injury offense committed by or for any protected person whose business is advertising, broadcasting, or publishing.

We won't consider the placement of advertising, borders, or frames for or of others, or links for or to others, on or in a protected person's website, by itself, to mean that protected person's business is advertising.

**Broadcasting** means transmitting any audio or visual material for any purpose:

- by radio or television; or
- in or with any other electronic means of communication, such as the Internet, if that material is part of radio or television programming, other entertainment, music, or news programming, or advertising transmitted with that programming.

**Publishing** means creating and producing any material in any format for distribution or sale to others for any purpose.

But we won't consider creating and producing any of the following material in any format to be publishing:

- Correspondence written in the conduct of your operations.
- Material, including bulletins, financial or annual reports, or newsletters, that describes or reports your operations, your products, your work, or your completed work.

We explain the terms your products, your work, and your completed work in the Products and completed work total limit section.

**Aircraft.** We won't cover bodily injury, property damage, or medical expenses that result from the:

- ownership, maintenance, use, or operation;
  - loading or unloading;
  - entrustment to others; or
  - supervision of others in or for the maintenance, use, operation, loading or unloading, or entrustment to others;
- of any aircraft owned, operated, rented, leased, or borrowed by any protected person.

But we won't apply this exclusion to the liability of another to pay damages for bodily injury or property damage if you have assumed such liability under a covered contract that:

- is for the ownership, maintenance, use, or operation of an aircraft; and
- was made before the bodily injury or property damage happens.

Nor will we apply this exclusion to:

- bodily injury, property damage, or medical expenses that result from the operation of specialized equipment; or
- premises damage.

Also, we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from the use of an aircraft chartered by a protected person if:

- the aircraft is chartered with crew, including a pilot; and
- the protected person isn't using the aircraft to carry persons or property for a charge.

We explain the terms:

- covered contract in the Contract liability exclusion;
- entrustment to others, loading or unloading, and supervision of others, in the Auto exclusion;
- premises damage in the Each event limit section; and
- specialized equipment in the Mobile equipment exclusion.

**Asbestos.** We won't cover injury or damage or medical expenses that result from any actual, alleged, or threatened:

- absorption, ingestion, or inhalation of asbestos in any form by any person; or
- existence of asbestos in any form.

Nor will we cover injury or damage that results from any actual, alleged, or threatened:

- absorption, ingestion, or inhalation of any other solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, and waste, in any form by any person; or
- existence of any such other irritant or contaminant in any form;

and is part of any claim or suit that also alleges any injury or damage described in the first paragraph of this exclusion.

We also won't cover any loss, cost, or expense that results from any request, demand, order, or statutory or regulatory requirement that any protected person or others:

- test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize asbestos in any form; or
- respond to, or assess, in any way the effects of asbestos in any form.

Because asbestos and any such other irritants or contaminants are pollutants, this exclusion applies in addition to any of the following exclusions that apply:

- Pollution injury or damage exclusion.
- Pollution work loss, cost, or expense exclusion.
- Any other pollution-related exclusion made part of this agreement.

We explain the terms pollutant and waste in the Pollution injury or damage exclusion.

**Auto.** We won't cover bodily injury, property damage, or medical expenses that result from the:

- ownership, maintenance, use, or operation;
- loading or unloading;
- entrustment to others; or
- supervision of others in or for the maintenance, use, operation, loading or unloading, or entrustment to others;

of any auto owned, operated, rented, leased, or borrowed by any protected person.

But we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from the parking of an auto on a premises, or on the ways next to such premises, if:

- the premises is owned, rented, leased, or borrowed by you; and
- the auto isn't owned, rented, leased, or borrowed by any protected person.

Nor will we apply this exclusion to:

- bodily injury, property damage, or medical expenses that result from the operation of specialized equipment; or
- premises damage.

**Auto** means any land motor vehicle, trailer, or semitrailer that's designed for travel on public streets or roads.

We'll consider any machinery or equipment that's permanently attached to an auto to be part of the auto.

But we won't consider mobile equipment to be an auto.

**Loading or unloading** means the handling of property:

- while it's being moved from the place where it's accepted for transportation;
- while it's being loaded, transported, and unloaded; and
- until it's moved to the place where it's finally delivered.

But we won't consider moving property by an unattached mechanical device to be loading or unloading.

**Unattached mechanical device** includes any forklift, conveyor, or other unattached mechanical device, other than a hand truck.

**Entrustment to others** means:

- the permitting of others to use or do something; or
- the giving of something to others for safekeeping.

**Supervision of others** means:

- the directing, managing, or supervising of a worker, including his or her employment, hiring, evaluation, training, or work; or
- the directing, monitoring, safekeeping, or supervising of any other person or organization for any reason.

We explain the terms:

- mobile equipment and specialized equipment in the Mobile equipment exclusion; and
- premises damage in the Each event limit section.

**Breach of contract.** We won't cover personal injury or advertising injury that results from the failure of any protected person to do what is required by a contract or agreement.

But we won't apply this exclusion to advertising injury that results from the unauthorized use of any advertising idea of others in your advertising if such use isn't

specifically prohibited by the contract or agreement.

**Contract liability.** We won't cover injury or damage for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to injury or damage for which the protected person would have liability without the contract or agreement.

Nor will we apply this exclusion to the liability of another to pay damages for:

- bodily injury or property damage sustained by others if you have assumed such liability under a covered contract made before the bodily injury or property damage happens; or
- personal injury or advertising injury sustained by others if you have assumed such liability under a covered contract made before the offense that causes such injury is committed.

Also, if you have agreed under the same covered contract to defend, or pay for the defense of, an indemnitee against a claim or suit for such injury or damage covered by this agreement, we'll defend the indemnitee against the claim or suit. But we'll do so because of that covered contract only if:

- that indemnitee isn't a protected person for such injury or damage;
- the claim or suit is for injury or damage for which you have assumed the liability of that indemnitee under the covered contract;
- the injury or damage is covered by this agreement;
- the claim or suit is made or brought against you and that indemnitee;
- we are defending you against the claim or suit under this agreement;
- all of our indemnitee defense control and authority requirements are fulfilled; and
- all of our indemnitee defense cooperation and notice requirements are fulfilled.

When we provide that contract liability indemnitee defense coverage, we'll do the following:

- We'll defend the indemnitee even if all of the allegations of the claim or suit are

groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

- We'll pay all covered indemnitee defense expenses incurred by us in connection with such claim or suit. Such payments are in addition to the limits of coverage.

However, our duty to defend the indemnitee, or pay indemnitee defense expenses incurred by us, under that contract liability indemnitee defense coverage ends when that indemnitee fails to comply with any of our indemnitee defense cooperation and notice requirements. It also ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or
- medical expenses.

When we don't provide that contract liability indemnitee defense coverage for the indemnitee, we'll pay covered indemnitee defense expenses assumed under contract that:

- are incurred by or for that indemnitee; and
- are awarded against you in a judgment or agreed to by us in a settlement;

as if they're amounts you're legally required to pay as damages for injury or damage covered by this agreement. Payments of such amounts are subject to the limits of coverage. Our duty to make such payments ends when we have used up the limit of coverage that applies with the payment of:

- judgments;
- settlements; or
- medical expenses.

We'll have the right to appeal a judgment awarded in a suit against an indemnitee if:

- the judgment includes damages for injury or damage for which you have assumed liability under a covered contract;
- such injury or damage is covered by this agreement;
- the indemnitee and its insurers don't appeal the judgment; and
- you agree we may seek the cooperation of the indemnitee for such an appeal.

If we appeal such a judgment, we'll pay the following that result directly from that appeal:

- All expenses we incur.
- All reasonable expenses that any protected person and the indemnitee incur at our request while helping us with the appeal, other than the cost of appeal bonds.
- The cost of any required appeal bond. But only for that part of the judgment that is for damages covered by this agreement and is within the available limit of coverage. However, we'll pay, or reimburse the indemnitee, for the cost of a higher appeal bond amount if we're required to do so under the law that applies. But we won't be the principal under any such bond. Nor do we have to furnish any appeal bond.
- All postjudgment interest that accumulates on the full amount of the judgment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

These payments are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

*Covered contract* means:

- any easement or license agreement;
- any elevator maintenance agreement;
- any lease of premises, other than that part which indemnifies a person or organization for property damage to a premises that you rent, lease, or borrow from others;
- any obligation to indemnify a municipality that is required by ordinance and isn't connected with your work for the municipality;
- any sidetrack agreement;
- that part of any other contract or agreement under which you assume the tort liability of a municipality to pay damages for injury or damage that results from your work for the municipality; or
- that part of any other contract or agreement under which you assume the tort liability of another to pay damages for injury or damage.

But we won't consider the following parts of those other contracts or agreements

under which you assume the tort liability of another to pay damages to be a covered contract:

- Architect, engineer, or surveyor indemnity.
- Architect, engineer, or surveyor professional services by protected person indemnity.
- War indemnity.

*Tort liability* means a liability that would be imposed by law without any contract or agreement.

*Architect, engineer, or surveyor indemnity* means that part which indemnifies any architect, engineer, or surveyor for injury or damage that results from:

- the preparation or approval of, or failure to prepare or approve, any drawing and specification, or any map, opinion, report, survey, change order, field order, or shop drawing; or
- the giving of or failure to give any direction or instruction if that giving or failure to give is the primary cause of the injury or damage.

*Architect, engineer, or surveyor professional services by protected person indemnity* means that part which indemnifies any person or organization for injury or damage that results from the performance of or failure to perform architect, engineer, or surveyor professional services by the protected person who is an architect, engineer, or surveyor.

*Architect, engineer, or surveyor professional services* includes:

- the preparation or approval of any drawing and specification, or any map, opinion, report, survey, change order, field order, or shop drawing; and
- any architectural, engineering, inspection, or supervisory activity.

*War indemnity* means that part which indemnifies any person or organization for bodily injury or property damage that results from war.

*Indemnatee* means any person or organization that you have agreed under a covered contract to indemnify or hold harmless.

*Indemnatee defense control and authority requirements* means the following requirements that must be fulfilled for us to defend an indemnatee against a claim or suit under this agreement:

- You and the indemnatee must ask us to conduct and control the defense of the indemnatee against the claim or suit under this agreement.
- We must determine that there's no conflict between your interests and those of the indemnatee, based on the allegations in the claim or suit and on what we know about the factual and legal basis for the damages being sought.
- You and the indemnatee must each agree in writing that we can assign the same counsel to defend you and the indemnatee.
- The indemnatee must give us authority in writing to conduct and control its defense against the claim or suit.
- The indemnatee must give us authority in writing to obtain records and other information related to the claim or suit.
- The indemnatee must agree in writing to comply with our indemnatee defense cooperation and notice requirements.

*Indemnatee defense cooperation and notice requirements* means the following requirements that must be fulfilled for us to continue defending an indemnatee against a claim or suit under this agreement:

- The indemnatee must cooperate with us in the investigation, settlement, or defense of the claim or suit.
- The indemnatee must provide us with a copy of any demand, notice, summons, or legal paper received in connection with the claim or suit as soon as possible after it is received.
- The indemnatee must give notice of the claim or suit to any provider of other insurance that provides coverage which applies to the claim or suit and is available to the indemnatee.
- The indemnatee must help us coordinate the application of such other insurance to the claim or suit.

*Indemnatee defense expenses incurred by us* means the:

- attorney fees and necessary litigation expenses incurred by us to defend an

indemnatee against a claim or suit for damages covered by this agreement; and

- necessary litigation expenses incurred by the indemnatee at our request in connection with the claim or suit.

*Indemnatee defense expenses assumed under contract* means the reasonable attorney fees and necessary litigation expenses that:

- are incurred by or for an indemnatee to defend itself against a claim or suit for damages covered by this agreement; and
- are subject to a covered contract under which you have agreed to defend, or pay for the defense of, the indemnatee against the claim or suit.

We explain the terms:

- your work in the Products and completed work total limit section;
- war in the Medical expenses of certain persons exclusion; and
- other insurance in the Other Insurance section.

**Control of property.** We won't cover property damage to the following property:

- Property that you rent, lease, or borrow from others, own, or occupy. But we won't apply this exclusion part to premises damage.
- Premises that you sell, give away, or abandon if such property damage results from any part of those premises. But we won't apply this exclusion part to property damage to premises that are your completed work and were never occupied, rented, or held for rental by you.
- Personal property that's in the care, custody, or control of the protected person. But we won't apply this exclusion part to premises damage.
- That particular part of real property being worked on by or for you if such property damage results from your work.
- That particular part of any property that must be restored, repaired, or replaced because your work was incorrectly performed on it. But we won't apply this exclusion part to property damage that results from your completed work.

Furthermore, we won't apply this exclusion to the liability of another to pay damages

for property damage, other than property damage to the property described below, if you have assumed such liability under a sidetrack agreement made before the property damage happens:

- Property that you rent or lease from others, own, or occupy.
- Premises that you sell, give away, or abandon.

We explain the terms:

- premises damage in the Each event limit section; and
- your work and your completed work in the Products and completed work total limit section.

**Damage to your products or completed work.**

We won't cover property damage to any of your products that's caused by your products themselves or by any of their parts. For example:

*You manufacture road signs for others. Regardless of the cause, we won't protect you for any property damage to the road signs.*

Nor will we cover property damage to your completed work that's caused by your completed work itself or by any of its parts. But we won't apply this exclusion part to such property damage if:

- your completed work that's damaged, or your completed work that causes the property damage, was done for you by others; and
- this agreement provides coverage for such completed work.

We explain the terms your products and your completed work in the Products and completed work total limit section.

**Deliberately breaking the law.** We won't cover personal injury or advertising injury that results from:

- the protected person knowingly breaking any criminal law; or
- any person or organization breaking any criminal law with the consent or knowledge of the protected person.

**Employers liability.** We won't cover bodily injury to an employee of the protected

person arising out of and in the course of his or her:

- employment by the protected person; or
- performance of duties related to the conduct of the protected person's operations.

Nor will we cover bodily injury to the spouse, or any child, parent, brother, or sister, of that employee, which results from the bodily injury to that employee.

We'll apply this exclusion whether the protected person may be held liable as an employer or in any other capacity, such as a property owner or product manufacturer. For example:

*Your employee is injured while driving your truck when the truck goes in the ditch around a sharp curve in the road. He receives workers compensation benefits. If he later sues you in your capacity as a property owner, alleging that his injury happened because the road design was defective, we won't protect you.*

We'll apply this exclusion to any obligation of the protected person to share damages with, or repay someone else who must pay damages for, such bodily injury to:

- that employee; or
- the spouse, or any child, parent, brother, or sister, of that employee.

For example:

*Your employee is injured in a printing press accident. She receives workers compensation benefits. Later, she and her husband sue the manufacturer of the printing press, alleging that her injury happened because the press didn't have enough guarding devices on it. In that suit, her husband seeks compensation for her care and loss of services and for physical harm he has sustained as a result of his wife's injuries. If the manufacturer in turn sues you, alleging that your faulty maintenance of the press – not the lack of guarding devices – resulted in the employee's injury, we won't protect you.*

But we won't apply this exclusion to the liability of another to pay damages for

bodily injury if you have assumed such liability under a covered contract made before the bodily injury happens.

We explain the terms:

- covered contract in the Contract liability exclusion; and
- employee in the Employees and volunteer workers section.

**Employment-related practices.** We won't cover personal injury to any protected person's current, former, or prospective employee, leased temporary worker, or independent contractor that results from any:

- refusal to hire that person;
- termination of that person's employment, leased temporary worker status, or independent contractor status; or
- other act, omission, policy, or practice related to that person's current, former, or prospective employment, leased temporary worker status, or independent contractor status and applied to that person, such as coercion, demotion, discipline, discrimination, evaluation, harassment, humiliation, libel, reassignment, or slander, or violation of the person's right of privacy.

For example:

*You terminate an employee for falsifying business travel expenses. You explain the reason for the termination of that employee to one of your customers. If your former employee later sues you for slander, we won't protect you.*

Nor will we cover personal injury to the spouse or any child, parent, brother, or sister of that employee, worker, or independent contractor which results from the personal injury to that employee, worker, or independent contractor.

We'll also apply this exclusion to any obligation of the protected person to share damages with, or to repay someone else who must pay damages for, such personal injury to:

- that employee, worker, or independent contractor; or

- the spouse, or any child, parent, brother, or sister of that employee, worker, or independent contractor.

We'll consider any protected person's prospective employee, leased temporary worker, or independent contractor to include any person who applies or seeks to be any protected person's employee, leased temporary worker, or independent contractor.

*Independent contractor* means any person who:

- has a contract with the protected person to perform for the protected person certain duties related to the conduct of the protected person's business; and
- isn't the protected person's employee, leased temporary worker, or volunteer worker.

We explain the terms employee, leased temporary worker, and volunteer worker in the Employees and volunteer workers section.

**Expected or intended bodily injury or property damage.** We won't cover bodily injury or property damage that's expected or intended by the protected person.

Nor will we cover medical expenses that result from such bodily injury.

But we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from the use of reasonable force to protect persons or property.

**Failure to supply service.** We won't cover bodily injury or property damage or medical expenses that result from the failure of any protected person to adequately supply electricity, gas, oil, steam, or water service.

However, we won't apply this exclusion if the failure to supply results from accidental damage to tangible property owned or used by any protected person to obtain, produce, process, or transmit such service.

Nor will we apply this exclusion if there is a Failure to supply limit greater than zero shown in the Coverage Summary.

**False material.** We won't cover personal injury or advertising injury that results from false material that:

- was made known by or for the protected person; and
- the protected person knew was false when it was made known.

**Health care professional services.** We won't cover injury or damage or medical expenses that result from the performance of or failure to perform health care professional services.

But we won't apply this exclusion to any protected person who:

- isn't a medical doctor or nurse; and
- is acting as a good samaritan in response to an accident or public emergency.

*Health care professional services* includes:

- any dental, medical, mental, nursing, surgical, x-ray, or other health care professional service, including any advice, instruction, food, or beverage provided with such service;
- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

**Impaired property.** We won't cover property damage to impaired property, or to property that isn't physically damaged, that results from:

- your products that are faulty or dangerous;
- your completed work that is faulty or dangerous; or
- a delay or failure in fulfilling the terms of a contract or agreement.

But we won't apply this exclusion to the loss of use of property, other than your products or your completed work, that results from sudden and accidental physical damage to:

- your products after they've been put to their intended use; or
- your completed work after it has been put to its intended use.

For example:

*You buy smoke detectors and give them to residents and organizations in your area who qualify for them. One of those organizations is a food shelf. Several weeks after the food shelf's smoke detector is installed, it breaks during the routine daily test required for its safe operation. Due to your life safety code, the food shelf can't use its building until the smoke detector is repaired or replaced. That work takes several days. To continue operating during that period of time, the food shelf incurs extra costs to use space in a nearby building. If the food shelf sues you to recover those costs, we won't apply the exclusion. However, if the food shelf discovers while the smoke detector is being installed that it is broken, we won't protect you.*

*Impaired property* means tangible property, other than your products or your completed work, that can be restored to use by nothing more than:

- an adjustment, repair, replacement, or removal of your products, or your completed work, that forms a part of such tangible property; or
- your fulfilling the terms of a contract or agreement.

We explain the terms your products and your completed work in the Products and completed work total limit section.

**Injury to volunteer firefighters.** We won't cover bodily injury, personal injury, or medical expenses to any volunteer firefighter that results from his or her duties as a volunteer firefighter for you or anyone else.

*Volunteer firefighter* includes an emergency medical services, first aid, or rescue squad volunteer.

**Intellectual property.** We won't cover injury or damage or medical expenses that result from any actual or alleged infringement or violation of any of the following rights or laws:

- Copyright.
- Patent.
- Trade dress.
- Trade name.

- Trade secret.
- Trademark.
- Other intellectual property rights or laws.

Nor will we cover any other injury or damage that's alleged in any claim or suit which also alleges any such infringement or violation.

But we won't apply this exclusion to bodily injury or property damage that results from your products or your completed work.

Nor will we apply this exclusion to advertising injury that results from the unauthorized use of any:

- copyrighted advertising material;
  - trademarked slogan; or
  - trademarked title;
- of others in your advertising.

We explain the terms your products and your completed work in the Products and completed work total limit section.

**Law enforcement activities or operations.** We won't cover injury or damage or medical expenses that result from law enforcement activities or operations.

*Law enforcement activities or operations* means any of the official activities or operations of your police department, sheriff agency, or other public safety organization which enforces the law and protects persons or property.

They include the following:

- Ownership, maintenance, or use of a premises that you own, rent, lease, or borrow in order to perform such activities or operations.
- Providing first aid at the time of an accident, crime, or medical emergency.

But we won't consider injury or damage or medical expenses that result from the ownership, maintenance, or use of a premises that isn't usually used for the conduct of law enforcement activities or operations to result from law enforcement activities or operations.

**Liquor liability.** We won't cover bodily injury, property damage, or medical expenses that result from any protected person:

- causing or contributing to the intoxication of any person;
- selling, serving, or furnishing alcoholic beverages to any person under the legal drinking age or under the influence of alcohol; or
- violating any law or regulation applying to the sale, gift, distribution, or use of alcoholic beverages.

However, we'll apply this exclusion only if you're in the business of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages.

For example:

*Your city fire department hosts an annual awards banquet with an open bar. After this year's banquet, an intoxicated guest is involved in an auto accident. The guest and several others are injured. If someone sues you, alleging that your serving of liquor caused the guest's intoxication and involvement in the accident, we won't apply this exclusion because you're not in the business of serving alcoholic beverages.*

But we won't apply this exclusion to premises damage.

We explain the term premises damage in the Each event limit section.

**Material previously made known or used.** We won't cover personal injury or advertising injury that results from:

- any material that was first made known before this agreement begins; or
- any advertising idea or advertising material, or any slogan or title, of others, whose unauthorized use in your advertising was first committed before this agreement begins.

**Medical expenses of certain persons.** We won't cover medical expenses that are incurred by or for any person:

- injured while qualifying as a protected person, other than as your volunteer worker;

- injured while performing work that he or she was hired to do for any protected person, or any tenant of a protected person;
- injured while practicing for or taking part in any recreation program which you operate or sponsor;
- injured while attending or taking part in any day or overnight camp which you operate or sponsor;
- injured while attending or being cared for in any adult or child day care center;
- injured at, on, or in that part of any premises that you rent or lease from others, or own, and that the injured person normally occupies;
- to whom such medical expenses are payable, or must be provided, as benefits under any workers compensation law, disability benefits law, or similar law;
- injured while being detained, held, or imprisoned in any correctional facility, jail, penal institution, penitentiary, prison, or similar facility;
- injured while receiving care or services or residing in any health care, residential care, or shelter facility;
- injured by your products or your completed work;
- injured due to war; or
- who refuses to be examined as often as we reasonably require, at our expense, by doctors we choose.

**Recreation program** includes any athletic or sports:

- clinic, instruction, or lesson; or
- contest, exhibition, game, or league.

**Health care facility** means any:

- alcohol or drug treatment facility;
- convalescent or nursing home;
- hospital;
- mental-psychopathic facility;
- outpatient clinic, dispensary, or infirmary; or
- similar facility.

**Residential care facility** means any:

- home for the elderly, orphaned, or physically handicapped; or

- similar facility.

*Shelter facility* means any:

- halfway or settlement house;
- mission;
- shelter; or
- similar facility.

*War* includes:

- declared or undeclared war, or invasion;
- warlike action by a military force or other agents of any government, sovereign, or other authority;
- civil war, insurrection, rebellion, revolution, or seizure of power; or
- anything done to hinder or defend against such actions.

We explain the terms:

- volunteer worker in the Employees and volunteer workers section; and
- your products and your completed work in the Products and completed work total limit section.

**Mobile equipment.** We won't cover bodily injury, property damage, or medical expenses that result from the:

- transportation of mobile equipment by an auto owned, operated, rented, leased, or borrowed by any protected person;
- use of racing mobile equipment; or
- supervision of others in or for such transportation or use.

But we won't apply this exclusion to premises damage.

*Mobile equipment* means any land vehicle that:

- is designed for use primarily off public streets or roads;
- is kept for use only on or next to a premises that you rent or lease from others, or own;
- travels on crawler treads;
- is kept primarily for the ready movement of permanently attached construction equipment; or
- doesn't travel under its own power and is kept primarily for the ready movement of

permanently attached specialized equipment.

But we won't consider an auto that is kept for use only on your streets or roads to be mobile equipment.

Mobile equipment includes any land vehicle that:

- isn't described above; and
- is kept primarily for purposes other than carrying persons or cargo.

But we won't consider such a vehicle to be mobile equipment if it travels under its own power, is operated like an auto during travel on a public street or road, and has permanently attached:

- specialized equipment; or
- equipment designed for snow removal or street cleaning, or for street or road maintenance, but not construction or resurfacing.

*Construction equipment* includes any:

- grader, scraper, or roller; or
- power crane, digger, drill, loader, or shovel.

*Specialized equipment* means any:

- cherry picker or similar device used to lift workers;
- pump, generator, or air compressor; or
- other equipment, such as building cleaning, geophysical exploration, lighting, spraying, welding, or well-servicing equipment, that has a built-in pump, generator, or air compressor.

*Racing mobile equipment* means any mobile equipment while being prepared for or used in any:

- prearranged racing, speed, demolition, or stunting contest or activity; or
- practice for such contest or activity.

We explain the terms:

- auto, and supervision of others, in the Auto exclusion; and
- premises damage in the Each event limit section.

**Nuclear energy liability.** We won't cover bodily injury or property damage for which any protected person:

- is also protected under a nuclear energy liability insurance policy; or
- would have been protected under such policy if that policy's limits of coverage hadn't been used up.

Nor will we cover bodily injury or property damage that results from the hazardous properties of nuclear material and for which:

- any person or organization is required by law to maintain financial protection in accordance with the federal Atomic Energy Act or any of its amendments; or
- any protected person is entitled, or would have been entitled had this agreement not been issued, to indemnity from the United States government, or any of its agencies, under any contract or agreement between that government, or any of its agencies, and any person or organization.

Also, we won't cover medical expenses that result from:

- the hazardous properties of nuclear material; or
- the operation of a nuclear facility by any person or organization.

In addition, we won't cover bodily injury or property damage that results from the hazardous properties of nuclear material when:

- the nuclear material is located at, or at any time discharges or disperses from, a nuclear facility that is or was at any time owned by any protected person, or operated by or for any protected person;
- the nuclear material is contained in spent nuclear fuel, or nuclear waste, that is or was at any time possessed, handled, used, processed, stored, transported, or disposed of by or for any protected person; or
- the bodily injury or property damage results from the furnishing by any protected person of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation, or use of a nuclear facility. However, we'll apply this exclusion part only to property damage to the nuclear facility, and any property located on the site of that facility, if the nuclear facility

is in the United States of America, its territories or possessions, Puerto Rico, or Canada.

*Nuclear energy liability insurance policy* means any nuclear energy liability insurance policy issued by any of the following organizations or their successors:

- Nuclear Energy Liability Insurance Association.
- Mutual Atomic Energy Liability Underwriters.
- Nuclear Insurance Association of Canada.

*Hazardous properties* includes radioactive, toxic, or explosive properties.

*Nuclear material* means any of the following materials defined in the federal Atomic Energy Act or any of its amendments:

- Source material.
- Special nuclear material.
- By-product material.

*Nuclear facility* means any:

- nuclear reactor;
- uranium isotopes separation device or equipment;
- special nuclear material device or equipment; or
- nuclear waste site.

Nuclear facility includes:

- the site on which it's located;
- all operations conducted on such site; and
- all premises used for such operations.

*Nuclear reactor* means any device, equipment, or machine designed or used to:

- sustain nuclear fission in a self-supporting chain reaction; or
- contain a critical mass of fissionable material.

*Uranium isotopes separation device or equipment* means any device or equipment designed or used for:

- separating the isotopes of uranium or plutonium;

- processing or utilizing spent nuclear fuel; or
- handling, processing, or packaging nuclear waste.

**Special nuclear material device or equipment** means any device or equipment used for the processing, fabricating, or alloying of special nuclear material if the total amount of such material is at any time in the custody of any protected person at the premises where the device or equipment is located and is more than:

- 25 grams of plutonium or uranium 233, or any combination of those two materials; or
- 250 grams of uranium 235.

**Nuclear waste site** means any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of nuclear waste.

**Nuclear waste** means any waste material that:

- contains by-product material; and
- results from the operation of any nuclear reactor, or uranium isotopes separation device or equipment, by any person or organization.

But we won't consider nuclear waste to include tailings or wastes that result from the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.

**Spent nuclear fuel** means any solid or liquid fuel element or component that's been exposed to radiation or used in a nuclear reactor.

**Pollution injury or damage.** We won't cover injury or damage or medical expenses that result from pollution at, on, in, or from any:

- protected person's premises;
- waste site; or
- protected person's work site.

Nor will we cover injury or damage or medical expenses that result from pollution involving any waste pollutant.

But we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from:

- building heating equipment fumes, smoke, soot, or vapors;
- contractor or service work materials fumes, gases, or vapors;
- hostile fire heat, fumes, or smoke; or
- mobile equipment operating fluids.

Nor will we apply this exclusion to:

- bodily injury or property damage that results from your products or your completed work, other than waste products or completed work; or
- premises damage that results from fire.

Also, we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from the application or use of:

- chlorine or sodium hypochlorite in your sewage treatment, swimming pool maintenance, or water purification operations; or
- any pesticide or herbicide by or for you; if such application or use meets all legal or license requirements of any governmental agency or authority which apply to it.

Also, we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from the application or use of any pollutant in the providing of, or failure to provide, fire fighting or emergency response services at, on, or in any premises, site, or location, other than a waste site.

In addition, we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from the back-up of sewage into a building from any sewage facility or sanitary sewer that you own, operate, or maintain, but only if such bodily injury, property damage, or medical expenses don't result from any corrosive or radioactive:

- material; or
- waste; in the sewage.

*Firefighting or emergency response services* includes any training for the providing of such services.

*Pollution* means any actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of any pollutant.

*Pollutant* means any solid, liquid, gaseous, or thermal irritant or contaminant, including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

*Waste* includes materials to be recycled, reconditioned, or reclaimed.

*Protected person's premises* means any premises, site, or location that is or was at any time owned, rented, leased, borrowed, or occupied by any protected person. For example:

*You sold an office building two years ago. It contains asbestos ceiling tile that released asbestos into the air while you owned it. A former tenant now sues you for bodily injury that allegedly resulted from the release of that asbestos. We won't cover such injury.*

Another example:

*You own an apartment building. Its woodwork is finished with paint that contains lead. Two of your renters sue you for bodily injury to their children allegedly caused by the lead in that paint. The children supposedly consumed the lead by eating chips of the paint from the window sills in their apartments. We won't cover such injury.*

But we won't consider a premises, site, or location that isn't owned, rented, leased, borrowed, or occupied by you to be a protected person's premises in connection with pollution that results from your work being performed there. For example:

*You are hired by the owner of a premises to perform work there. The premises owner requires you to provide it with insurance protection for that work. We do*

*so with an additional protected person endorsement under this agreement. Your work being performed on that premises causes pollution injury or damage to happen there. Even though that premises is owned by an additional protected person, we won't consider that premises to be a protected person's premises for purposes of determining your coverage, or the premises owner's coverage, for that injury or damage under this agreement.*

*Waste site* means any premises, site, or location that is or was at any time used by or for any protected person or others for the handling, storage, disposal, processing, or treatment of waste. For example:

*For several years waste generated by your maintenance garage was disposed of in a landfill owned by others. The landfill was closed two years ago. Nearby residents now allege that they're being injured by the waste from there. We won't cover such injury.*

*Protected person's work site* means any premises, site, or location at, on, or in which work is being performed by or for any protected person when:

- the pollution involves a pollutant that is brought to, on, or in such premises, site, or location by or for the protected person in connection with such work; or
- the work being performed is pollution work.

For example:

*A subcontractor working for you brings a diesel fuel storage tank to the building site for refueling of its excavation equipment. After a couple of days it is discovered that the tank has been leaking. Some of the escaped fuel is found to have seeped into an underground conduit and damaged the insulation on the fiber optic cables in the conduit. We won't cover such property damage.*

But we won't consider a premises, site, or location that's owned, rented, leased, borrowed, or occupied by any protected person to be a protected person's work site. For example:

*You own an office building. It is cleaned and maintained by:*

- *several of your employees; and*
  - *an independent contractor hired by you.*
- Pollution injury or damage results from the chemicals used connection with that maintenance work. Regardless of whether:*
- *that work is performed by any of your employees or by that contractor; or*
  - *your office building qualifies as a work site of that contractor;*

*we'll consider your office building to be a protected person's premises, rather than a protected person's work site, for purposes of determining your or your employees' coverage for that injury or damage under this agreement.*

**Waste pollutant** means any pollutant that is or was at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- any protected person; or
- any person or organization for whom you may be legally responsible.

For example:

*Waste generated by your recycling center is transported to a landfill by a trucker hired by you. There is an accident that causes the waste to be spilled onto the road. One of the firefighters who responds to the accident later alleges that fumes from the waste made her ill. We won't cover such injury.*

**Building heating equipment fumes, smoke, soot, or vapors** means only the fumes, smoke, soot, or vapors that:

- result from equipment used to heat a building at or on a protected person's premises; and
- are within that building.

**Contractor or service work materials fumes, gases, or vapors** means only the fumes, gases, or vapors that:

- result from materials brought into a building at or on a protected person's work site in connection with work, other

than pollution work, being performed there by or for you; and

- are within that building.

**Hostile fire heat, fumes, or smoke** means only the heat, fumes, or smoke that result from a hostile fire at, on, in, or from:

- the protected person's premises, other than a waste site; or
- the protected person's work site, other than a waste site, but only if the hostile fire doesn't result from pollution work being performed by or for the protected person.

**Hostile fire** means a fire that:

- becomes uncontrollable; or
- breaks out from where it was intended to be.

**Mobile equipment operating fluids** means only the fuels, lubricants, or other operating fluids that:

- are part of the mobile equipment being maintained, operated, or used in connection with work, other than pollution work, being performed by or for the protected person at, on, or in the protected person's work site;
- are needed to perform the normal electrical, hydraulic, or mechanical functions necessary for the operation of the mobile equipment or any of its parts;
- aren't intended to be discharged, dispersed, or released as part of the operation of the mobile equipment or any of its parts;
- aren't intended to be discharged, dispersed, or released as part of the work being performed by or for the protected person; and
- escape from a mobile equipment part designed to hold, store, or receive them.

**Waste products or completed work** means:

- your products, or your completed work, that is or was handled, stored, disposed of, processed, or treated as waste at, on, or in a waste site;
- your products, or your completed work, that is or was a waste pollutant; or
- your completed work that is being used for cleaning up, containing, detoxifying,

disposal of, handling, monitoring, neutralizing, processing, removing, storing, testing for, transporting, or treating any pollutant at, on, or in a waste site.

*Back-up* means reverse flow or movement.

We explain the terms:

- mobile equipment in the Mobile equipment exclusion;
- pollution work in the Pollution work loss, cost, or expense exclusion;
- premises damage in the Each event limit section; and
- your products, your work, and your completed work in the Products and completed work total limit section.

**Pollution work loss, cost, or expense.** We won't cover any loss, cost, or expense that results from:

- any request, demand, order, or statutory or regulatory requirement that any protected person or others perform pollution work; or
- any claim or suit by or for any governmental authority for damages that result from the performance of pollution work.

But we won't apply this exclusion to any damages for property damage for which the protected person would have liability without such:

- request, demand, order, or statutory or regulatory requirement; or
- claim or suit.

For example:

*One of your products is a container that may be used to store various types of liquids. Several of those containers are sold to a company that uses them for storage of a chemical in one of its warehouses. During such use one of them ruptures and the chemical spills onto a concrete floor. Some of the spilled chemical seeps into the ground through a gap between the floor and an adjoining wall.*

*The customer alleges that the corrosive effect of the spilled chemical caused parts*

*of the concrete floor to disintegrate, making them unusable. As a result, he demands that you pay the cost to replace those parts of the floor and properly dispose of any contaminated concrete.*

*Also, the customer is concerned that the spilled chemical that seeped into the ground may be considered a source of pollution by adjacent property owners or by a state environmental protection law. As a result, he also demands that you pay the cost to replace and properly dispose of any contaminated soil.*

*Based on the facts available to us, we'll consider the cost to replace the disintegrated parts of the concrete floor to be damages for property damage that isn't subject to the Pollution work loss, cost, or expense exclusion. However, we won't cover:*

- *the additional cost to properly dispose of any contaminated concrete; or*
  - *the cost to replace or properly dispose of any contaminated soil;*
- regardless of who demands or requires that such pollution work be done.*

*Pollution work* means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing of any pollutant; or
- the responding to, or assessing, in any way the effects of any pollutant.

For example:

*A chemical spill at your water utility releases a vapor cloud. Several hundred people are exposed to the vapor cloud before it disappears. None of them sustain any apparent bodily injury. However, several of them demand that you arrange and pay for medical checkups now, and yearly for the next ten years, to assess the effect of the vapor cloud on their health. We won't cover the cost of such pollution work, regardless of who orders or performs it.*

We explain the terms:

- pollutant in the Pollution injury or damage exclusion; and
- your products in the Products and completed work total limit section.

**Poor quality or performance.** We won't cover advertising injury that results from the failure of your products, your work, or your completed work to conform with advertised quality or performance.

We explain the terms your products, your work, and your completed work in the Products and completed work total limit section.

**Product recall.** We won't cover any loss, cost, or expense that is incurred by you or others and results from any recall, removal, or withdrawal of:

- impaired property;
- your products; or
- your completed work;

from the market, or from use by any person or organization, for any reason.

Nor will we cover any loss, cost, or expense that is incurred by you or others and results from the:

- loss of use;
- adjustment, inspection, repair;
- replacement; or
- disposal;

of such property, products, or completed work.

We explain the terms:

- impaired property in the Impaired property exclusion; and
- your products and your completed work in the Products and completed work total limit section.

**Public use of property.** We won't cover injury or damage that results from:

- any method or proceeding used in the taking or controlling of private property for public use; or
- the diminution in value, or inverse condemnation, of property that's caused by the taking or controlling of private property for public use.

**Method or proceeding** includes condemnation, adverse possession, and dedication by adverse use.

**Watercraft.** We won't cover bodily injury, property damage, or medical expenses that result from the:

- ownership, maintenance, use, or operation;
- loading or unloading;
- entrustment to others; or
- supervision of others in or for the maintenance, use, operation, loading or unloading, or entrustment to others; of any watercraft owned, operated, rented, leased, or borrowed by any protected person.

But we won't apply this exclusion to the liability of another to pay damages for bodily injury or property damage if you have assumed such liability under a covered contract that:

- is for the ownership, maintenance, use, or operation of a watercraft; and
- was made before the bodily injury or property damage happens.

Nor will we apply this exclusion to premises damage.

Also, we won't apply this exclusion to bodily injury, property damage, or medical expenses that result from:

- any watercraft while ashore on a premises that you rent or lease from others, or own;
- any watercraft you don't own that is less than 75 feet long and isn't being used to carry persons or property for a charge;
- any watercraft you own that is less than 25 feet long and isn't being used to carry persons or property for a charge; or
- the operation of specialized equipment.

We explain the terms:

- covered contract in the Contract liability exclusion;
- entrustment to others, loading or unloading, and supervision of others, in the Auto exclusion;
- premises damage in the Each event limit section; and

- specialized equipment in the Mobile equipment exclusion.

**Workers compensation or other benefits laws.**

We won't cover any obligation that the protected person has under any:

- workers compensation law;
- disability benefits law;
- unemployment compensation law; or
- similar law.

**Wrong price description.** We won't cover advertising injury that results from the wrong description of the price of your products, your work, or your completed work.

We explain the terms your products, your work, and your completed work in the Products and completed work total limit section.

**Other Insurance**

This agreement is primary insurance. However, if there's any valid and collectible other insurance for injury or damage covered by this agreement, we'll apply this agreement in connection with that other insurance in accordance with the rest of this section.

*Other insurance* means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self-insurance method or program, other than any funded by you and over which this agreement applies; or
- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance, or excess insurance, that you bought specifically to apply in excess of the limits of coverage that apply under this agreement to be other insurance.

**Primary or excess other insurance.** When there's primary other insurance, we'll share

with that other insurance any damages for injury or damage covered by this agreement. We'll do so with one of the methods of sharing described in the Methods of sharing section.

However, we'll apply this agreement as excess insurance over the part or parts of any primary or excess other insurance that provide:

- property or similar coverage for property damage to your work;
- property or similar coverage for property damage to premises that you rent, lease, or borrow from others, other than premises you rent for a period of seven or fewer consecutive days;
- aircraft, auto, or watercraft bodily injury or property damage coverage; or
- coverage for you as an additional insured or additional protected person.

We explain how we'll apply this agreement as excess insurance in the When this agreement is excess insurance section.

*Aircraft, auto, or watercraft bodily injury or property damage coverage* means coverage for bodily injury or property damage that results from the:

- ownership, maintenance, use, or operation;
- loading or unloading;
- entrustment to others; or
- supervision of others in or for the maintenance, use, operation, loading or unloading, or entrustment to others;

of any aircraft, auto, or watercraft, and that isn't specifically excluded by the Aircraft, Auto, or Watercraft exclusions in this agreement.

We explain the terms:

- loading or unloading, entrustment to others, supervision of others, and auto in the Auto exclusion; and
- your work in the Products and completed work total limit section.

**When this agreement is excess insurance.**

When this agreement is excess insurance, we won't have a duty to defend the protected person against the part or parts of any claim or suit for which any provider of

other insurance has the duty to defend that protected person.

However, we'll defend the protected person against a claim or suit for injury or damage covered by this agreement if no provider of other insurance will do so. In return we'll require that we be given all of that protected person's rights against each such provider of other insurance.

Also, we'll pay only the amount of damages that's in excess of:

- the total amount that all such other insurance would pay if this agreement didn't exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

But we won't pay more than the limit of coverage that applies under this agreement.

**Methods of sharing.** We'll use one of the methods of sharing described below.

**Contribution by equal shares.** If all of the other insurance permits contribution by equal shares, we'll share the damages equally. But we won't pay more than the limit of coverage that applies under this agreement. If the limit of coverage that applies under any of the applicable insurance, including this agreement, is used up before the entire amount of the damages is paid, the insurance that remains will share the balance of the damages equally until:

- the limits of coverage that apply under the remaining insurance are used up; or
- the entire amount of the damages is paid.

For example:

*You're required by a court to pay damages of \$2,000,000. Besides this agreement, which we'll consider to be a policy for purposes of this example, two other policies (Policy B and Policy C) apply to the judgment. The limit of coverage that applies under:*

- *this agreement is \$1,000,000;*
- *Policy B is \$200,000; and*
- *Policy C is \$600,000.*

*First, \$200,000 is subtracted from each policy's limit of coverage because that's the*

*lowest limit of coverage that applies under any of the three policies. The result is:*

- *\$800,000 remains of this agreement's limit of coverage;*
- *Policy B's limit of coverage is used up;*
- *\$400,000 remains of Policy C's limit of coverage; and*
- *the balance due on the judgment is \$1,400,000.*

*Next, \$400,000 is subtracted under this agreement and under Policy C because that amount equals the smallest amount remaining of the limit of coverage that applies under either policy after the initial \$200,000 payment. The result is:*

- *\$400,000 remains of this agreement's limit of coverage;*
- *Policy C's limit of coverage is used up; and*
- *the balance due on the judgment is now \$600,000.*

*Finally, the remainder of the limit of coverage under this agreement is paid. The result is:*

- *this agreement's limit of coverage is used up;*
- *the total paid under the three policies is \$1,800,000; and*
- *the balance due on the judgment is now \$200,000, which you must pay.*

**Contribution by limits of coverage.** If any of the other insurance doesn't permit contribution by equal shares, we'll pay the portion of the damages that's equal to our percentage of the total of all limits of coverage that apply. But we won't pay more than the limit of coverage that applies under this agreement. For example:

*You are required by a court to pay damages of \$6,000,000. Besides this agreement, which we'll consider to be a policy for purposes of this example, another policy (Policy B) applies to the judgment. The limit of coverage that applies under this agreement is \$3,000,000. Policy B has a \$1,000,000 limit of coverage that applies. The total of*

*all limits of coverage that apply is \$4,000,000.*

*Our percentage is 75% (\$3,000,000/\$4,000,000) of the total of*

*all limits of coverage that apply. But we won't pay 75% of the judgment because that \$4,500,000 share is more than our limit of coverage. We'll pay only our limit of coverage, which is \$3,000,000.*

**PUBLIC SECTOR SERVICES  
EXCLUDED OPERATIONS AND PREMISES ENDORSEMENT**

This endorsement changes your Public Entity  
General Liability Protection.

**How Coverage Is Changed**

The following is added to the Exclusions -  
What This Agreement Won't Cover section.  
This change excludes coverage.

**Excluded operations and premises.** We won't  
cover injury or damage or medical expenses  
that result from any of the following  
operations, including the ownership,  
maintenance, or use of any premises in  
those operations, which are indicated by an  
(X).

- Airport, including any airfield, runway, hangar, terminal, or other property in connection with aviation activities
- Dams, levees, or dikes
- Day care, day camp, nursery, or similar facility
- Electric utility
- Fire district or department
- Fireworks displays or exhibitions
- Gas utility
- Halfway house, emergency shelter, or other group home
- Hospital, nursing home, medical clinic, or other type of medical facility
- Housing project or authority
- Organized or sponsored racing or stunting activity or event involving wheeled vehicles, including skateboards and roller skates
- Port, harbor, or terminal district
- School district or system
- Transportation system
- Water utility
- Waterpark
- 

**Other Terms**

All other terms of your policy remain the same.



<b>Name of Insured</b>	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
CITY OF WILLIAMSTOWN		<b>Processing Date</b> 10/12/04 09:27 001



**PUBLIC SECTOR SERVICES DEDUCTIBLES ENDORSEMENT –  
DEDUCTIBLES APPLY ONLY TO DAMAGES AND MEDICAL  
EXPENSES – LIMITS APPLY EXCESS OF DEDUCTIBLE AMOUNTS**

The **St Paul**

This endorsement changes your Public Entity General Liability Protection.

**Important note:** This endorsement makes you responsible for paying damages or medical expenses within the deductibles that apply.

**Deductibles Table**

*Only those deductibles for which amounts are shown apply.*

Bodily injury and property damage each event deductible.	\$
Bodily injury each event deductible.	\$
Property damage each event deductible.	\$
Personal injury each person deductible.	\$
Advertising injury each person deductible.	\$
Failure to supply each event deductible.	\$
Sewer back-up each event deductible.	\$5,000
Medical expenses each person deductible.	\$
Total deductible.	\$

**Important note:** *If no amount is shown above for the Total deductible, the Total deductible doesn't apply, and you'll be responsible for paying all applicable deductibles without further limitation, regardless of how often they apply.*

**How Coverage Is Changed**

There are two changes which are explained below.

1. The following section is added. This change adds one or more deductibles to be paid by you.

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

The deductibles won't apply to the payments we make under the Additional payments section.

**Deductibles**

The deductibles shown in the Deductibles Table and the information contained in this section fix the amount of damages incurred by you or any other protected person, or medical expenses, that you'll be responsible for paying and over which the limits of coverage will apply, regardless of the number of:

**Repayment of deductibles.** If we settle a claim or suit for damages, or pay a judgment for damages awarded in a suit, that are subject to a deductible, we'll pay the deductible as part of the settlement or judgment, unless you and we agree to do otherwise. You agree to repay us the deductible amount as soon as we notify you of our payment.

**Name of Insured**  
CITY OF WILLIAMSTOWN

**Policy Number** GP09313204

**Effective Date**

**Processing Date** 10/12/04 09:27 001

If you fail to repay us a deductible amount that applies to damages or medical expenses we've paid, and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:

- Our deductible recovery expenses.
- Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

*Our deductible recovery expenses* means all fees, costs, and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you. However, if the deductible amount awarded to us is less than the full amount of the deductible payment we sought, our deductible recovery expenses will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.

**Bodily injury and property damage each event deductible.** You'll be responsible for the amount of damages within this deductible for all covered bodily injury and property damage that's caused by any one event.

This deductible is reduced by the total amount of all Medical expenses each person deductibles paid by you.

However, this deductible isn't reduced by the amount of either of the following deductibles paid by you:

- Failure to supply each event deductible.
- Sewer back-up each event deductible.

**Bodily injury each event deductible.** You'll be responsible for the amount of damages within this deductible for all covered bodily injury that's caused by any one event.

This deductible is reduced by the total amount of all Medical expenses each person deductibles paid by you.

However, this deductible isn't reduced by the amount of either of the following deductibles paid by you:

- Failure to supply each event deductible.
- Sewer back-up each event deductible.

**Property damage each event deductible.**

You'll be responsible for the amount of damages within this deductible for all covered property damage that's caused by any one event.

This deductible isn't reduced by the amount of either of the following deductibles paid by you:

- Failure to supply each event deductible.
- Sewer back-up each event deductible.

**Personal injury each person deductible.**

You'll be responsible for the amount of damages within this deductible for all covered personal injury that:

- is sustained by any one person or organization; and
- is caused by all personal injury offenses committed in a policy year.

**Advertising injury each person deductible.**

You'll be responsible for the amount of damages within this deductible for all covered advertising injury that:

- is sustained by any one person or organization; and
- is caused by all advertising injury offenses committed in a policy year.

**Failure to supply each event deductible.**

You'll be responsible for the amount of damages within this deductible for all covered bodily injury, property damage, or medical expenses that:

- result from the failure of any protected person to adequately supply electricity, gas, oil, steam, or water service; and
- is caused by any one event.

This deductible is reduced by the total amount of all Medical expenses each person deductibles paid by you.

**Sewer back-up each event deductible.**

You'll be responsible for the amount of damages within this deductible for all covered bodily injury, property damage, or medical expenses that:

- result from the back-up of sewage into a building from any sewage facility or

sanitary sewer that you own, operate, or maintain; and

- is caused by any one event.

This deductible is reduced by the total amount of all Medical expenses each person deductibles paid by you.

**Medical expenses each person deductible.**

You'll be responsible for the amount of medical expenses within this deductible for all covered medical expenses that are incurred for bodily injury which:

- is sustained by any one person; and
- is caused by any one event.

**Total deductible.** This amount is the most you'll be responsible for paying for the combined total of:

- all Bodily injury and property damage each event deductibles for all covered bodily injury and property damage that happens in a policy year;
- all Bodily injury each event deductibles for all covered bodily injury that happens in a policy year;
- all Property damage each event deductibles for all covered property damage that happens in a policy year;
- all Personal injury each person deductibles for all covered personal injury that's caused by all personal injury offenses committed in a policy year;
- all Advertising injury each person deductibles for all covered advertising injury that's caused by all advertising injury offenses committed in a policy year;
- all Failure to supply each event deductibles for all covered bodily injury and property damage subject to those deductibles that happens in a policy year and all covered medical expenses subject to those deductibles

that are incurred for bodily injury which is caused by all events that begin in a policy year;

- all Sewer back-up each event deductibles for all covered bodily injury and property damage subject to those deductibles that happens in a policy year and all covered medical expenses subject to those deductibles that are incurred for bodily injury which is caused by all events that begin in a policy year; and
- all Medical expenses each person deductibles for all covered medical expenses that are incurred for bodily injury which is caused by all events that begin in a policy year.

If no amount for the Total deductible is shown in the Deductibles Table, the Total deductible doesn't apply, and you'll be responsible for paying all applicable deductibles without further limitation, regardless of how often they apply.

We explain the term policy year in the General total limit section.

2. The following is added to the Limits Of Coverage section. This change explains how the limits of coverage apply when a deductible applies.

The limits of coverage shown in the Coverage Summary apply excess of all applicable deductibles and are not reduced by the payment of such deductibles.

**Other Terms**

All other terms of your policy remain the same.





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## MEDICAL EXPENSES EXCLUSION ENDORSEMENT

The **St Paul**

This endorsement changes your Commercial General Liability Protection.

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### How Coverage Is Changed

The following replaces the Medical expenses of certain persons exclusion. This change excludes coverage.

**Medical expenses.** We won't cover medical expenses.

But we won't apply this exclusion to medical expenses that are paid as damages for bodily injury covered by this agreement.

We explain what we mean by medical expenses in the What This Agreement Covers section.

### Other Terms

All other terms of your policy remain the same.





**MOLD, OTHER FUNGI, OR BACTERIA EXCLUSION ENDORSEMENT****The St Paul**

This endorsement changes your Commercial General Liability Protection.

**How Coverage Is Changed**

The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

**Mold, other fungi, or bacteria.** We won't cover injury or damage or medical expenses that result from any actual, alleged, or threatened:

- absorption, ingestion, or inhalation of mold or other fungi, or bacteria, in any form by any person; or
- existence of mold or other fungi, or bacteria, in any form.

But we won't apply this exclusion part to:

- bodily injury, property damage, or medical expenses that result from mold or other fungi, or bacteria, which are, or are on, in, or part of, any good or product that's intended to be consumed as a food, beverage, or medicine;
- bodily injury or medical expenses that result from bacteria which are directly transmitted solely by or from another person to the person sustaining the bodily injury; or
- bodily injury or medical expenses that result from a bacterial infection which develops in connection with physical harm to the person sustaining the bodily injury, if such physical harm isn't excluded by this exclusion part, or any other part of this exclusion, and a claim or suit is made or brought against the protected person for such physical harm.

Nor will we cover injury or damage that results from any actual, alleged, or threatened:

- absorption, ingestion, or inhalation of any other solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, and waste, in any form by any person; or
- existence of any such irritant or contaminant in any form;

and is part of any claim or suit that also alleges any injury or damage described as excluded in the first paragraph of this exclusion.

Also, we won't cover any loss, cost, or expense that results from any request, demand, order, or statutory or regulatory requirement that any protected person or others:

- test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize mold or other fungi, or bacteria, in any form; or
- respond to, or assess, in any way the effects of mold or other fungi, or bacteria, in any form.

Because mold or other fungi, or bacteria, can be pollutants, and any such other irritants or contaminants are pollutants, this exclusion applies in addition to any of the following exclusions that apply:

- Pollution injury or damage exclusion.
- Pollution work loss, cost, or expense exclusion.
- Any other pollution-related exclusion made part of this agreement.

**Mold or other fungi** means:

- any type or form of mold or mildew;
- any other type or form of fungus; or
- any mycotoxin, spore, scent, or byproduct that's produced or released by such mold, mildew, or other fungus.

**Bacteria** means:

- any type or form of bacterium; or
- any mycotoxin, spore, scent, or byproduct that's produced or released by such bacterium.

We explain the terms pollutant and waste in the Pollution injury or damage exclusion.

**Other Terms**

All other terms of your policy remain the same.

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**PROFESSIONAL SERVICES ENDORSEMENT -  
EMERGENCY MEDICAL TECHNICIANS**

The **St Paul**

This endorsement changes your Public Entity General Liability Protection.

**How Coverage Is Changed**

There are five changes that are explained below.

1. The definition of event in the What This Agreement Covers section is replaced by the following. This change broadens coverage.

*Event* means:

- an accident, including continuous or repeated exposure to substantially the same general harmful conditions; or
- an error, omission, or negligent act in the performance of, or failure to perform, health care professional services by your emergency medical technician.

We explain what we mean by health care professional services in the Health care professional services exclusion in the Exclusions - What This Agreement Won't Cover section.

2. The following is added to the Employees and volunteer workers section. This change broadens coverage.

Nor will we apply the exclusions in this Employees and volunteer workers section to bodily injury or personal injury that results from the performance of, or failure to perform, health care professional services by an emergency medical technician who is:

- your employee or volunteer worker;
- acting within the scope of their duties for you; and
- acting within the scope of their duties as an emergency medical technician.

3. The following is added to the Each event limit section. This change limits coverage.

We'll consider:

- an error, omission, or negligent act; or

- related errors, omissions, or negligent acts;

in the performance of, or failure to perform, health care professional services by your emergency medical technician for or to any one person to be one event.

*Related errors, omissions, or negligent acts* means two or more errors, omissions, or negligent acts that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situations, events, transactions, or causes.

4. The following exclusion is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

**Malicious, dishonest, or fraudulent errors, omissions, or acts or knowing violation of rights and laws.** We won't cover injury or damage or medical expenses that result from any malicious, dishonest, or fraudulent error, omission, or act, or any knowing violation of rights or laws, committed in the performance of, or failure to perform, health care professional services by your emergency medical technician.

5. The following replaces the Health care professional services exclusion. This change broadens coverage.

**Health care professional services.** We won't cover injury or damage or medical expenses that result from the performance of or failure to perform health care professional services.

*Health care professional services* includes:

- any dental, medical, nursing, surgical, x-ray, or other health care professional service, including any advice,

instruction, food, or beverage provided with such service;

- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

But we won't apply this exclusion to any protected person who:

- isn't a medical doctor; and

- is acting as a Good Samaritan in response to an accident or public emergency.

Nor will we apply this exclusion to any employee or volunteer worker who:

- isn't a medical doctor; and
- is an emergency medical technician.

#### **Other Terms**

All other terms of your policy remain the same.

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**STOP-GAP EMPLOYERS LIABILITY PROTECTION  
COVERAGE SUMMARY**

The **St Paul**

This Coverage Summary shows the limits of coverage that apply to your Stop-Gap Employers Liability Protection. It also shows each state or territory where your operations or work involves employment to which that agreement applies. And it lists those endorsements, if any, that must have certain information shown for them to apply.

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<b>Limits Of Coverage</b>		<b>State or territory:</b>
<b>Bodily injury by accident each accident limit.</b>	\$ 1,000,000	West Virginia
<b>Bodily injury by disease total limit.</b>	\$ 1,000,000	
<b>Bodily injury by disease each employee limit.</b>	\$ 1,000,000	

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**Named Endorsement Table**

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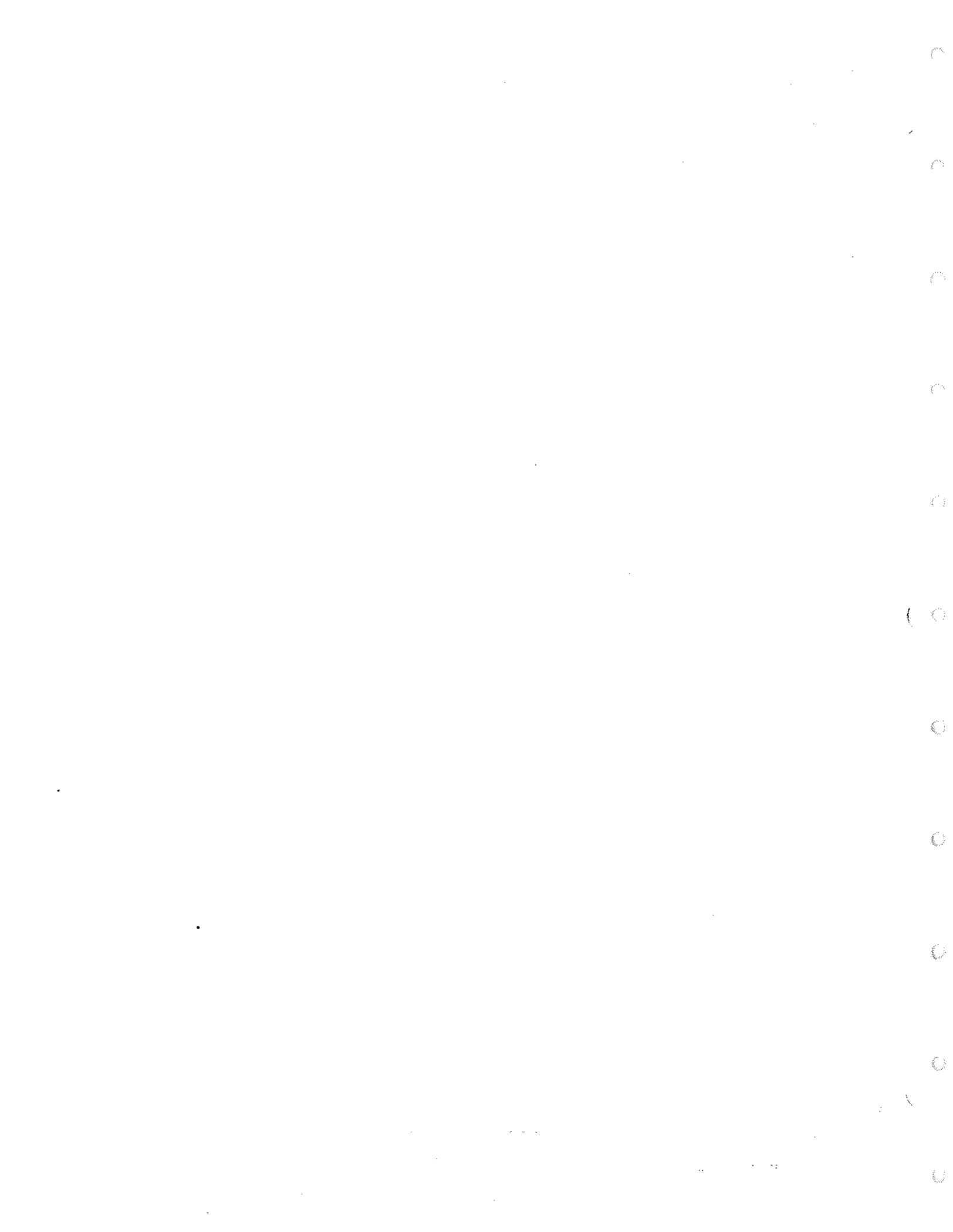
**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

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<b>Name of Insured</b>	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
CITY OF WILLIAMSTOWN		<b>Processing Date</b> 10/12/04 09:27 001

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**STOP-GAP EMPLOYERS LIABILITY PROTECTION**

The **St Paul**

This insuring agreement provides employers liability protection for your business. There are, of course, limitations and exclusions which apply to that protection. As a result, this agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

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<b>What This Agreement Covers</b>	1	<b>Other Insurance</b>	5
Employers liability.	1		
Right and duty to defend a protected person.	2	<b>What This Agreement Covers</b>	
Additional payments.	2		
Right to appeal a judgment against a protected person.	3	<b>Employers liability.</b> We'll pay amounts any protected person is legally required to pay as damages for covered bodily injury by accident or bodily injury by disease that:	
<b>When This Agreement Covers</b>	3	• is sustained by any of your employees; and	
<b>Where This Agreement Covers</b>	3	• arises out of and in the course of the injured employee's employment.	
<b>Who Is Protected Under This Agreement</b>	3	<i>Protected person</i> means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.	
Individual.	3		
Partnership or joint venture.	3		
Limited liability company.	4	<b>Damages</b> includes the following where recovery is permitted by law:	
Corporation or other organization.	4	• Damages for which you are held liable to a third party by reason of a claim or suit against you by that third party to recover the damages such third party must pay as a direct result of covered bodily injury sustained by your employee.	
Separation of protected persons.	4	• Damages for consequential bodily injury to a spouse, child, parent, brother, or sister of the injured employee that is the direct result of covered bodily injury sustained by your employee.	
<b>Limits Of Coverage</b>	4	• Damages for covered bodily injury sustained by your employee for which you are held liable in a capacity other than as an employer, such as a property owner or product manufacturer.	
Bodily injury by accident each accident limit.	4	<i>Bodily injury by accident</i> means bodily injury that:	
Bodily injury by disease total limit.	4	• happens while this agreement is in effect; and	
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How the limits of coverage apply to an extension of the policy period.	4		
<b>Exclusions - What This Agreement Won't Cover</b>	4		
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Vessel employees.	5		

- is caused by an accident.

But it doesn't include bodily injury by disease unless such disease or sickness results directly from bodily injury by accident.

We'll consider all bodily injury by accident that results from the same accident to happen at the time of the accident which caused it.

**Bodily injury by disease** means bodily injury in the form of disease or sickness that is caused or aggravated by the conditions of your employment to which the employee's last day of last exposure happens while this agreement is in effect.

But it doesn't include bodily injury by accident. Nor does it include disease or sickness that results directly from bodily injury by accident.

We'll consider all bodily injury by disease that is sustained by an injured employee to happen on the last day of his or her last exposure to the conditions of your employment which caused or aggravated such bodily injury.

**Bodily injury** means any physical harm, including sickness or disease, to the physical health of other persons. It includes any of the following that results at any time from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

**Employment** means employment by you that is necessary or incidental to your operations or work in a state or territory shown in the Coverage Summary.

**Employee** includes a leased worker, other than a leased temporary worker.

**Leased worker** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's business.

**Employee leasing firm** means any person or organization who hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Leased temporary worker** means a leased worker who is hired to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions.

We explain what we mean by claim and suit in the Right and duty to defend a protected person section.

**Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim or suit for bodily injury covered by this agreement. We'll have such right and duty even if all of the allegations of the claim or suit are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any accident, condition, claim, or suit to the extent that we believe is proper. We'll also have the right to settle any claim or suit within:

- any applicable deductible; or
- the available limits of coverage.

Our duty to defend protected persons ends when we have used up the limits of coverage that apply with the payment of judgments or settlements.

**Claim** means a demand which seeks damages.

**Suit** means a civil proceeding which seeks damages. It includes:

- an arbitration proceeding for such damages to which the protected person must submit, or submits with our consent; and
- any other alternative dispute resolution proceeding for such damages to which the protected person submits with our consent.

**Additional payments.** We'll have the duty to make only the additional payments shown below in connection with any claim or suit under this agreement against a protected person when we:

- investigate or settle the claim or suit; or

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- defend the protected person against the claim or suit.

These payments are in addition to the limits of coverage.

Our duty to make additional payments ends when we have used up the limits of coverage that apply with the payment of judgments or settlements.

*Our expenses.* We'll pay all expenses we incur.

*Bonds to release property.* We'll pay the cost of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the limit of coverage that applies. We don't have to furnish such bonds.

*Expenses incurred by protected persons.* We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim or suit. But we won't pay more than \$500 per day for earnings actually lost by the protected person because of time taken off from work.

*Taxed costs.* We'll pay all costs taxed against any protected person in a suit.

*Prejudgment interest.* We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of our offer.

*Postjudgment interest.* We'll pay all interest that accumulates on the full amount of that part of a judgment for which we make a payment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment awarded in a suit for bodily injury covered by this agreement if:

- we defend a protected person against the suit; and
- the judgment is awarded against that protected person.

If we appeal such a judgment, we'll pay all expenses which result directly from that appeal, including postjudgment interest and the cost of appeal bonds. Such appeal expenses are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

**When This Agreement Covers**

We'll apply this agreement to claims or suits for covered bodily injury whenever they're made or brought.

**Where This Agreement Covers**

We'll apply, and make payments under, this agreement:

- only in the coverage territory; and
- only for covered bodily injury that happens there.

However, we'll also apply, and make payments under, this agreement in the coverage territory for covered bodily injury that happens in the rest of the world if:

- the injured employee is a citizen or resident of a country or territory in the coverage territory, but is away from there for a short time on your business; and
- the protected person's responsibility for such bodily injury is determined in a suit on the merits in the coverage territory, or in a settlement agreed to by us.

*Coverage territory* means:

- the United States of America, including its territories and possessions;
- Puerto Rico; and
- Canada.

**Who Is Protected Under This Agreement**

**Individual.** If you are an employer and are shown in the Introduction as a named insured and an individual, you and your spouse are protected persons only for the conduct of a business of which you are the sole owner.

**Partnership or joint venture.** If you are an employer and are shown in the Introduction

as a named insured and a partnership or joint venture, you are a protected person. Your partners or co-venturers, and their spouses, are protected persons for the conduct of your business.

**Limited liability company.** If you are an employer and are shown in the Introduction as a named insured and a limited liability company, you are a protected person. Your members are protected persons only for the conduct of your business.

**Corporation or other organization.** If you are an employer and are shown in the Introduction as a named insured and a corporation or an other organization, you are a protected person.

*Other organization* means an organization other than a corporation, partnership, joint venture, or limited liability company.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, the limits of coverage shown in the Coverage Summary are shared by all protected persons. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

### Limits Of Coverage

The limits shown in the Coverage Summary and the information contained in this section fix the most we'll pay as damages, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

**Bodily injury by accident each accident limit.** This is the most we'll pay for all covered bodily injury by accident that:

- is sustained by all of your employees;
- happens in a policy year; and
- is caused by any one accident.

**Bodily injury by disease total limit.** This is the most we'll pay for all covered bodily injury by disease that:

- is sustained by all of your employees; and
- happens in a policy year.

**Bodily injury by disease each employee limit.** This is the most we'll pay for all covered bodily injury by disease that:

- is sustained by any one of your employees; and
- happens in a policy year.

**How the limits of coverage apply to an extension of the policy period.** If the original policy period shown in the Introduction is extended for less than 12 months, we'll consider each extended period to be part of the last policy year.

For example:

*Your policy period is for three years. During the last policy year you request a three month extension. We agree. As a result, your last policy year becomes 15 months. It will be subject to the same limits of coverage that applied when the policy year was 12 months.*

### Exclusions – What This Agreement Won't Cover

**Aircraft employees.** We won't cover bodily injury to any employee who is injured while employed as a member of the flying crew of any aircraft.

**Contract liability.** We won't cover bodily injury for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to bodily injury for which the protected person would have liability without the contract or agreement.

**Employment subject to federal laws.** We won't cover bodily injury to any employee who is injured while employed in operations or work subject to any of the following federal laws, or any amendment to those laws:

- Defense Base Act.
- Federal Coal Mine Health and Safety Act of 1969.
- Federal Employer's Liability Act.

- Longshore and Harbor Workers' Compensation Act.
- Migrant and Seasonal Agricultural Worker Protection Act.
- Nonappropriated Fund Instrumentalities Act.
- Outer Continental Shelf Lands Act.
- Any other federal workers or workmen's compensation law or other federal occupational disease law.

**Employment-related practices.** We won't cover bodily injury that results from any:

- refusal to employ a person;
- termination of a person's employment; or
- other employment-related act, omission, policy or practice directed at a person, such as coercion, defamation, demotion, discipline discrimination, evaluation, harassment, humiliation, or reassignment.

**Expected or intended bodily injury.** We won't cover bodily injury that is expected or intended by the protected person.

But we won't apply this exclusion to bodily injury that results from the use of reasonable force to protect people or property.

**Failure to comply with workers compensation law.** We won't cover bodily injury to any employee for which your failure to comply with the workers compensation law of a state or territory shown in the Coverage Summary causes the protected person to:

- lose their common law defenses; or
- incur a penalty.

**Failure to control or eliminate unsafe working conditions.** We won't cover bodily injury that results from a specific unsafe working condition if:

- the unsafe working condition is identified in a directive, notice, or order issued by or for a federal, state, or local government agency or authority to the protected person;
- the directive, notice, or order requires the protected person to control or eliminate the unsafe working condition by a certain date or within a certain period;
- the protected person fails to control or eliminate the unsafe working condition in accordance with the directive, notice, or order; and

- the bodily injury is caused or aggravated by the unsafe working condition after the compliance date, or the end of the compliance period, for controlling or eliminating such unsafe working condition.

**Unlawful employment.** We won't cover bodily injury to any employee who is injured while employed in violation of law with the actual knowledge of the protected person.

Nor will we cover punitive or exemplary damages awarded against any other protected person for covered bodily injury to an employee who is employed in violation of law.

**Unnamed partnership, joint venture, or limited liability company.** We won't cover bodily injury that results from the conduct of any current or past partnership, joint venture, or limited liability company which isn't shown in the Introduction as a named insured.

**Vessel employees.** We won't cover bodily injury to any employee who is injured while employed as a master or member of the crew of any vessel.

**Workers compensation and other benefits laws.** We won't cover any obligation that the protected person has under any:

- disability benefits;
- occupational disease;
- unemployment compensation;
- workers compensation; or
- similar law.

### Other Insurance

This agreement is primary insurance. If there is any other valid and collectible primary insurance for bodily injury covered by this agreement, we'll share with that insurance the amounts you're legally obligated to pay as damages for such bodily injury. We'll do so with one of the methods of sharing described below.

**Contribution by equal shares.** If all of the other insurance permits contribution by equal shares, we'll share the damages equally. But we won't pay more than the limits of coverage that apply under this agreement. If any policy reaches its limit before the entire amount of damages is paid, the remaining policies will share the balance

equally until their limits have been used up or the amount of the damages is paid in full. For example:

*You are required by a court to pay damages of \$1,000,000. Besides this agreement, two other policies apply to the judgment. The limit of this agreement is \$500,000. Policy B has a \$100,000 limit and Policy C's limit is \$300,000.*

*First, \$100,000 is subtracted from each policy's limit because that is the lowest limit provided by any of the three policies. The result: Policy B's limit is used up; the balance due on the judgment is \$700,000; \$400,000 remains of this agreement's limit; and the unused portion of Policy C's limit equals \$200,000. Next, \$200,000 is subtracted from the limit on this agreement and Policy C because that amount equals the smallest amount of limit remaining on either policy after the initial \$100,000 payment. The result: Policy C's limit is used up; the balance due on the judgment is now \$300,000; and this agreement has \$200,000 of its limit remaining.*

*Finally, the rest of the limit on this agreement is paid. The result: this*

*agreement's limit is used up; the balance due on the judgment is now \$100,000, which you must pay; and the total paid under each policy is: \$500,000 this agreement, \$100,000 Policy B, and \$300,000 Policy C.*

*Contribution by limits.* If any of the other insurance permit contribution by equal shares, we'll pay that portion of the damages which is equal to our percentage of the total of all limits that apply. But we won't pay more than the limits of coverage that apply under this agreement. For example:

*You are required by a court to pay damages of \$600,000. Besides this agreement, another policy applies to the judgment. The limit of this agreement is \$300,000 and Policy B has a \$100,000 limit. The total limit of all insurance is \$400,000.*

*Our limit is 75% ( $\$300,000/\$400,000$ ) of the total limit. But we won't pay 75% of the judgment because that \$450,000 share is more than our limit. We'll pay only our limit, which is \$300,000.*

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**WEST VIRGINIA STOP-GAP EMPLOYERS LIABILITY BROADENING ENDORSEMENT**

**The St Paul**

This endorsement changes your Stop-Gap Employers Liability Protection.

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**How Coverage Is Changed**

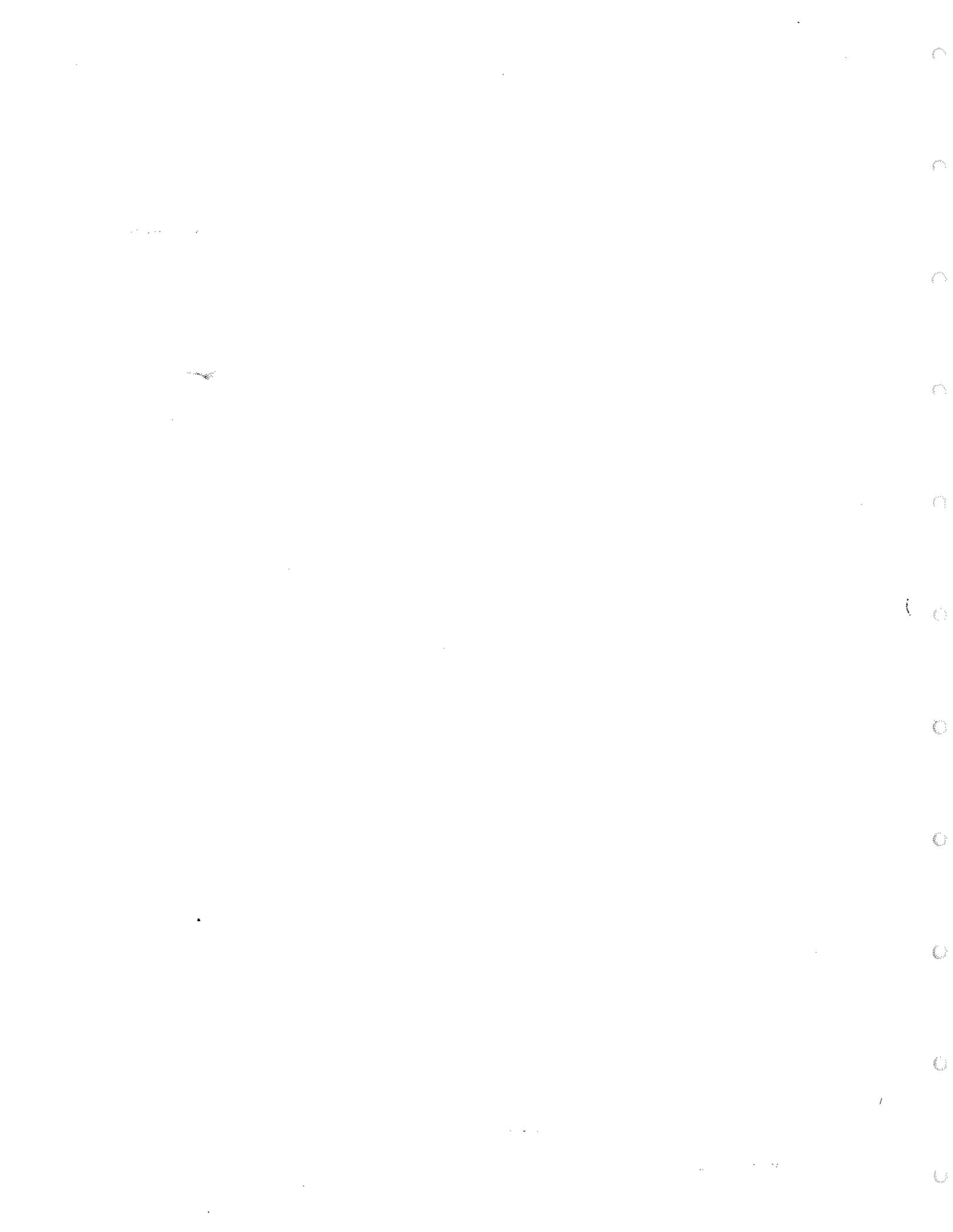
The following is added to the Expected or intended bodily injury exclusion. This change broadens coverage.

We won't apply this exclusion to bodily injury that is substantially certain to happen because of a specific unsafe working condition in your operations to which an employee is subjected by his or her employment if the protected person didn't otherwise intentionally cause or aggravate such bodily injury.

**Other Terms**

All other terms of your policy remain the same.





**EMPLOYEE BENEFIT PLANS ADMINISTRATION LIABILITY PROTECTION - CLAIMS-MADE COVERAGE SUMMARY**

The **StPaul**

This Coverage Summary shows the limits of coverage, deductible, and extended reporting period endorsement premium that apply to your Employee Benefit Plans Administration Liability Protection - Claims-Made.

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**Limits Of Coverage**

Each wrongful act.                    \$1,000,000

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Total limit.                            \$3,000,000

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**Deductible**

Each wrongful act.                    \$1,000

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**Extended Reporting Period Endorsement Premium**

\$384

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**Name of Insured**  
CITY OF WILLIAMSTOWN

**Policy Number** GP09313204

**Effective Date**

**Processing Date** 10/12/04 09:27 001



**EMPLOYEE BENEFIT PLANS ADMINISTRATION LIABILITY PROTECTION - CLAIMS-MADE**

This insuring agreement provides liability protection for your business for the administration of your employee benefit plans. There are, of course, limitations and exclusions that apply to this protection. As a result, you should read this agreement carefully to determine the extent of coverage provided to all protected persons.

**Important note.** This is a claims-made insuring agreement. Claims or suits must be reported during the policy period, or a reporting period if one applies, to be covered. Please read this agreement carefully, especially the What This Agreement Covers, When This Agreement Covers, and Limits of Coverage sections.

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*Administration* means only the following administrative functions:

- Explaining or interpreting an employee benefit plan.
- Calculating or communicating benefits and costs for an employee benefit plan.
- Enrolling participants, or terminating participation, in an employee benefit plan.
- Estimating or projecting future employee benefit plan values.
- Handling or processing of employee benefit plan records.

*Employee benefit plans* means only the following employee benefit plans:

- Educational tuition reimbursement plans.
- Employee stock subscription plans.
- Group plans for life, health, dental, disability, automobile, homeowners, or legal expense insurance.
- Individual Retirement Account (IRA) plans.
- Pension and profit sharing plans.
- Salary Reduction plans under Internal Revenue Code 401(k), including any amendments.
- Savings plans.
- Social security system benefits.
- Travel and vacation plans.
- Workers Compensation and unemployment insurance benefits.

*Wrongful act* means any negligent act, error, or omission.

**Right and duty to defend.** We'll have the right and duty to defend any protected person against a claim or suit for loss covered by this agreement. We'll have such right and duty even if any of the allegations of such claim or suit is groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any claim, suit, or wrongful act to the extent that we believe is proper. We'll also have the right to settle any claim or suit within:

- any applicable deductible; or
- the available limits of coverage.

Our duty to defend protected persons ends when we have used up the limits of

coverage that apply with the payment of judgments or settlements.

*Claim* means a demand which seeks damages.

*Suit* means a civil proceeding which seeks damages. It includes:

- an arbitration proceeding for such damages to which the protected person must submit, or submits with our consent; and
- any other alternative dispute resolution proceeding for such damages to which the protected person submits with our consent.

**Additional payments.** We'll have the duty to make only the additional payments shown below in connection with any claim or suit under this agreement against a protected person when we:

- investigate or settle the claim or suit; or
- defend the protected person against the claim or suit.

These payments are in addition to the limits of coverage.

Our duty to make additional payments ends when we have used up the limits of coverage that apply with the payment of judgments or settlements.

*Our expenses.* We'll pay all expenses we incur.

*Bonds to release property.* We'll pay the cost of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the limit of coverage that applies. We don't have to furnish such bonds.

*Expenses incurred by protected persons.* We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim or suit. But we won't pay more than \$250 per day for earnings actually lost by the protected person because of time taken off from work.

*Taxed costs.* We'll pay all costs taxed against any protected person in a suit.

**Prejudgment interest.** We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of our offer.

**Postjudgment interest.** We'll pay all interest that accumulates on the full amount of that part of a judgment for which we make a payment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

**Right to appeal a judgment.** We'll have the right to appeal a judgment awarded in a suit for loss covered by this agreement if:

- we defend a protected person against the suit; and
- the judgment is awarded against that protected person.

If we appeal such a judgment, we'll pay all expenses which result directly from that appeal, including postjudgment interest and the cost of appeal bonds. Such appeal expenses are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### When This Agreement Covers

**During this agreement or the limited reporting period.** We'll apply this agreement to claims or suits for covered loss only when they're first made or brought:

- while this agreement is in effect; or
- during the limited reporting period if it applies.

**Limited reporting period** means the 60 days, starting with the ending date of this agreement, during which claims or suits for covered loss caused by wrongful acts committed before the ending date of this agreement may be first made or brought.

**When we consider a claim or suit to be first made or brought.** We'll consider a claim or suit for covered loss to be first made or

brought on the earliest of the following dates:

- The date that we or any protected person first receives written notice of such claim or suit.
- The date that we first receive a notice of a wrongful act from any protected person.

However, we won't accept such a notice unless it also describes what loss may result from the wrongful act.

We'll also consider all claims and suits for covered loss caused by a wrongful act, or a series of related wrongful acts, to have been made or brought on the date that the first of those claims or suits is first made or brought.

**Series of related wrongful acts** means two or more wrongful acts, including repeated or continuous wrongful acts, that are related to the same loss.

### **When the limited reporting period will apply.**

The limited reporting period will automatically apply without an additional premium if this agreement is canceled or not renewed for any reason. It may not be canceled once it applies.

However, the limited reporting period won't apply to claims or suits if other insurance you buy:

- applies to them; or
- would have applied to them but won't because its limits of coverage have been used up.

**How the limited reporting period applies.** The limited reporting period doesn't extend the time that this agreement is in effect. As a result, we'll consider any claim or suit for covered loss that is first made or brought during the limited reporting period to have been made on the ending date of this agreement.

**When and how an extended reporting period can be added.** If this agreement is canceled or not renewed for any reason, an extended reporting period with an unlimited time can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

However, we won't issue an extended reporting period endorsement unless we receive a written request for it from the first named insured shown in the Introduction within 60 days after the ending date of this agreement.

In addition, the endorsement won't take effect unless:

- your premium for this agreement is paid in full; and
- the additional premium for the extended reporting period is paid when due.

But once the endorsement takes effect, it may not be canceled by you or us.

*Extended reporting period* means an unlimited time, starting with the ending date of this agreement, during which claims or suits for covered loss caused by wrongful acts committed before the ending date of this agreement may be first made or brought.

**How the extended reporting period applies.** The extended reporting period replaces the limited reporting period. Also, it doesn't extend the time that this agreement is in effect. As a result, we'll consider any claim or suit first made or brought during the extended reporting period to have been made or brought on the ending date of this agreement.

In addition, the extended reporting period will cause us to apply this agreement as excess insurance over certain other insurance. We explain when and how we'll do so in the Other Insurance section.

**How we'll figure the additional premium for the extended reporting period.** We'll figure the additional premium for the extended reporting period in accordance with our rules and rates. But we won't charge more than 200% of the annual premium for the last policy year of this agreement. The extended reporting period endorsement premium is shown in the Coverage Summary.

We explain what we mean by policy year in the Total limit section.

### Where This Agreement Covers

We'll apply, and make payments under, this agreement:

- only in the coverage territory; and
- only for covered loss that's caused by wrongful acts committed there.

However, we'll also apply, and make payments under, this agreement in the coverage territory for covered loss that's caused by wrongful acts committed in the rest of the world if the protected person's liability for such loss:

- is determined in a suit in the coverage territory; or
- is agreed to by us in a settlement.

*Coverage territory* means:

- the United States of America, including its territories and possessions;
- Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

### Who Is Protected Under This Agreement

**Individual.** If you are shown in the Introduction as a named insured and an individual, you and your spouse are protected persons only for the conduct of a business of which you are the sole owner.

**Partnership or joint venture.** If you are shown in the Introduction as a named insured and a partnership or a joint venture, you are a protected person. Your partners or co-venturers, and their spouses, are protected persons only for the conduct of your business.

**Limited liability company.** If you are shown in the Introduction as a named insured and a limited liability company, you are a protected person. Your members are protected persons only for the conduct of your business. And your managers are protected persons only for their duties as your managers.

**Corporation or other organization.** If you are shown in the Introduction as a named insured and a corporation or an other organization, you are a protected person. Your directors and executive officers are protected persons only for the conduct of their duties as your directors or executive officers. And your stockholders are protected persons only for their liability as your stockholders.

**Other organization** means an organization other than a corporation, partnership, joint venture, or limited liability company.

**Executive officer** means any person holding an officer position created by the charter, constitution, or by-laws, or any other similar governing document, of a corporation or other organization.

**Employees.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your business.

But we won't apply this Employees section to your managers if you are a limited liability company. Instead, we'll apply the Limited liability company section to them.

Also, we won't apply this Employees section to your executive officers if you are a corporation or an other organization. Instead, we'll apply the Corporation or other organization section to them.

**Employee** includes a leased worker, other than a leased temporary worker.

**Leased worker** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's business.

**Employee leasing firm** means any person or organization who hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Leased temporary worker** means a leased worker who is hired to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions.

**Newly acquired or formed organizations.** Any organization, other than a partnership, joint venture, or limited liability company, that you acquire or form while this agreement is in effect is a protected person if you own more than 50% of it.

However, no newly acquired or formed organization is a protected person for:

- more than 90 days, or the remainder of the time this agreement is in effect, whichever is less, from the date that you acquire or form it, unless we agree that it should continue to be a protected person after the end of that period of time; or
- loss that's covered under other similar insurance.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, the limits of coverage shown in the Coverage Summary are shared by all protected persons. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

### Limits Of Coverage

The limits shown in the Coverage Summary and the information contained in this section fix the most we'll pay as damages, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

**Each wrongful act limit.** This is the most we'll pay for all covered loss that is caused

by any one wrongful act or series of related wrongful acts.

**Total limit.** This is the most we'll pay for the combined total of all claims and suits for covered loss that are first made or brought in a policy year.

**Policy year** means the policy period shown in the Introduction, or the period of time this agreement is in effect, whichever is less. But when that period is longer than one year, it means each consecutive annual period, and the remaining period if any, that this agreement is in effect, starting with the beginning date of this agreement.

**How the limits of coverage apply to an extension of the policy period.** If the original policy period shown in the Introduction is extended for less than 12 months, we'll consider each extended period to be part of the last policy year. For example:

*Your policy period is for one year. During that policy year you request a three month extension. We agree. As a result, your last policy year becomes 15 months. It will be subject to the same limits of coverage that applied when the policy year was 12 months.*

**How the limits of coverage apply to the limited and extended reporting periods.** The limits of coverage that apply on the ending date of this agreement aren't renewed or increased for claims or suits first made or brought during the limited reporting period.

However, if the extended reporting period is added, the Total limit is renewed in full.

**How the limits of coverage apply if the total limit is left blank.** If the amount of the Total limit is left blank in the Coverage Summary, we'll consider that total limit to be three times the Each wrongful act limit.

### Deductible

The deductible shown in the Coverage Summary and the information contained in this section fix the amount of damages over which the limits of coverage will apply, regardless of the number of:

- protected persons;

- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

**Each wrongful act deductible.** You'll be responsible for the amount of damages within this deductible for all covered loss that's caused by each wrongful act or series or related wrongful acts.

If we settle a claim or suit that's subject to this deductible, we'll pay the deductible as part of the settlement. You agree to repay us as soon as we notify you of the settlement.

### Exclusions—What This Agreement Won't Cover

**Bodily injury.** We won't cover bodily injury.

**Bodily injury** means any physical harm, including sickness or disease, to the physical health of other persons. It includes any of the following that results at any time from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

**Contract liability.** We won't cover loss for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to loss for which the protected person would have liability without the contract or agreement.

**Dishonest acts.** We won't cover claims that result from dishonest, intentionally fraudulent, criminal, or malicious acts or omissions of any protected person or of anyone for whose acts the protected person is legally responsible.

But this exclusion doesn't apply to any protected person who didn't:

- personally participate in committing any such act or omission; or
- remain passive after having personal knowledge of any such act or omission.

**Employment-related practices.** We won't cover loss that is sustained by a person and results from any:

- refusal to employ that person;
- termination of that person's employment; or
- other employment-related act, omission, policy, or practice, such as coercion, defamation, demotion, discipline, discrimination, evaluation, harassment, humiliation, or reassignment, directed at that person.

Nor will we cover loss sustained by the spouse or any child, parent, brother, or sister of that person if such loss results from the loss sustained by that person.

We'll apply this exclusion whether the protected person may be held liable as an employer or in any other capacity.

We'll also apply this exclusion to any obligation of the protected person to share damages with or to repay someone else who must pay damages because of such loss.

**Failure to comply with law.** We won't cover loss that results from any intentional violation of any:

- workers compensation law;
- unemployment insurance law;
- social security law;
- disability benefits law; or
- administrative interpretation of such laws.

**Failure to pay benefits.** We won't cover loss that results from any failure to pay benefits because:

- there are not sufficient funds; or
- an insurance company fails to comply with the terms of its policy.

**Fines or penalties.** We won't cover any fine or penalty assessed against any protected person.

**Investment of funds.** We won't cover loss that results from any investment or non-investment of any employee benefit plan funds.

**Investment performance.** We won't cover loss that results from any failure of an investment to perform as a protected person expected, intended, or said it would.

**Known wrongful acts.** We won't cover loss that results from any wrongful act that the protected person:

- knew about before this agreement went into effect; and
- could reasonably foresee would result in a claim or suit being made or brought while this agreement is in effect.

**Participation, investment, or legal advice.** We won't cover loss that results from the providing of or failure to provide any of the following advice to any employee or his or her dependent or beneficiary:

- Advice to participate or not to participate in an optional employee benefit plan.
- Investment advice.
- Legal advice.

**Personal injury.** We won't cover loss that results from personal injury.

*Personal injury* means injury that's caused by a personal injury offense.

*Personal injury offense* means any of the following offenses:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry into, or wrongful eviction from, a room, dwelling, or premises that an individual occupies.
- Invasion of the right of private occupancy of a room, dwelling, or premises that an individual occupies.
- Libel or slander.
- Making known to any person or organization written or spoken material that disparages the products, work, or completed work of others.
- Making known to any person or organization written or spoken material that violates an individual's right of privacy.

**Property damage.** We won't cover loss that results from property damage.

*Property damage* means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

**Termination of plan.** We won't cover loss that results from the termination of any employee benefit plan.

**Unnamed partnership, joint venture, or limited liability company.** We won't cover loss that results from the conduct of any current or past partnership, joint venture, or limited liability company that's not shown in the Introduction as a named insured.

### Other Insurance

This agreement is primary insurance. If there is any other valid and collectible insurance available to you for loss covered by this agreement, the following applies in connection with that insurance.

**Other primary insurance.** When there is other primary insurance available to you, we'll pay that portion of the damages which:

- exceeds the deductible; and
- equals our percentage of the total of all limits of coverage that apply.

But we won't pay more than the limit of coverage that applies under this agreement. For example:

*The limit of coverage under this agreement is \$100,000. Another insurance policy with a limit of \$25,000 also applies to loss covered by this agreement. We won't pay more than 80% (\$100,000/\$125,000) of a loss, less any deductible.*

However, we'll apply this agreement as excess insurance over the part or parts of any other insurance which provide coverage for claims or suits for loss that:

- is covered by this agreement; and
- is caused by a wrongful act committed before the beginning date of this agreement.

Also, if the extended reporting period applies, we'll apply this agreement as excess insurance over the part or parts of any other insurance which:

- are in effect during the extended reporting period; and
- provide coverage for claims or suits for loss covered by this agreement that are first made or brought during the extended reporting period.

We explain how we'll apply this agreement as excess insurance in the Excess insurance section.

**Excess insurance.** When this agreement is excess insurance, we won't have a duty to defend the protected person against the part or parts of any claim or suit for which any other insurer has the duty to defend the protected person.

However, we'll defend the protected person against a claim or suit for injury or damage covered by this agreement if no other insurer will do so. In return we'll require that we be given all of the protected person's rights against each such insurer.

Also, we'll pay only the amount of damages that's in excess of:

- the total amount that all such other insurance would pay if this agreement didn't exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

But we won't pay more than the limits of coverage that apply under this agreement.

\* 3 B O O 2 G P O 9 3 1 3 2 0 4 5 9 3 1 \* M : 0 0 I : 0 0 0 T : 0 0 1 . C : 0 0 0 D 5 5 9

**EMPLOYMENT-RELATED PRACTICES EXCLUSION ENDORSEMENT -  
EMPLOYEE BENEFIT PLANS ADMINISTRATION LIABILITY**

The **St Paul**

This endorsement changes your Employee Benefit Plans Administration Liability Protection - Claims-Made.

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**How Coverage Is Changed**

The following replaces the Employment-related practices exclusion. This change excludes coverage.

**Employment-related practices.** We won't cover loss to any person that results from any:

- refusal to employ that person;
- termination of that person's employment; or
- other employment-related policy or practice committed upon or applied to that person, such as coercion, libel or slander, demotion, discipline, discrimination, evaluation, harassment, humiliation, or reassignment of or against that person, or violation of that person's right of privacy.

Nor will we cover loss to the spouse or any child, parent, brother, or sister of that person that results from such loss to that person.

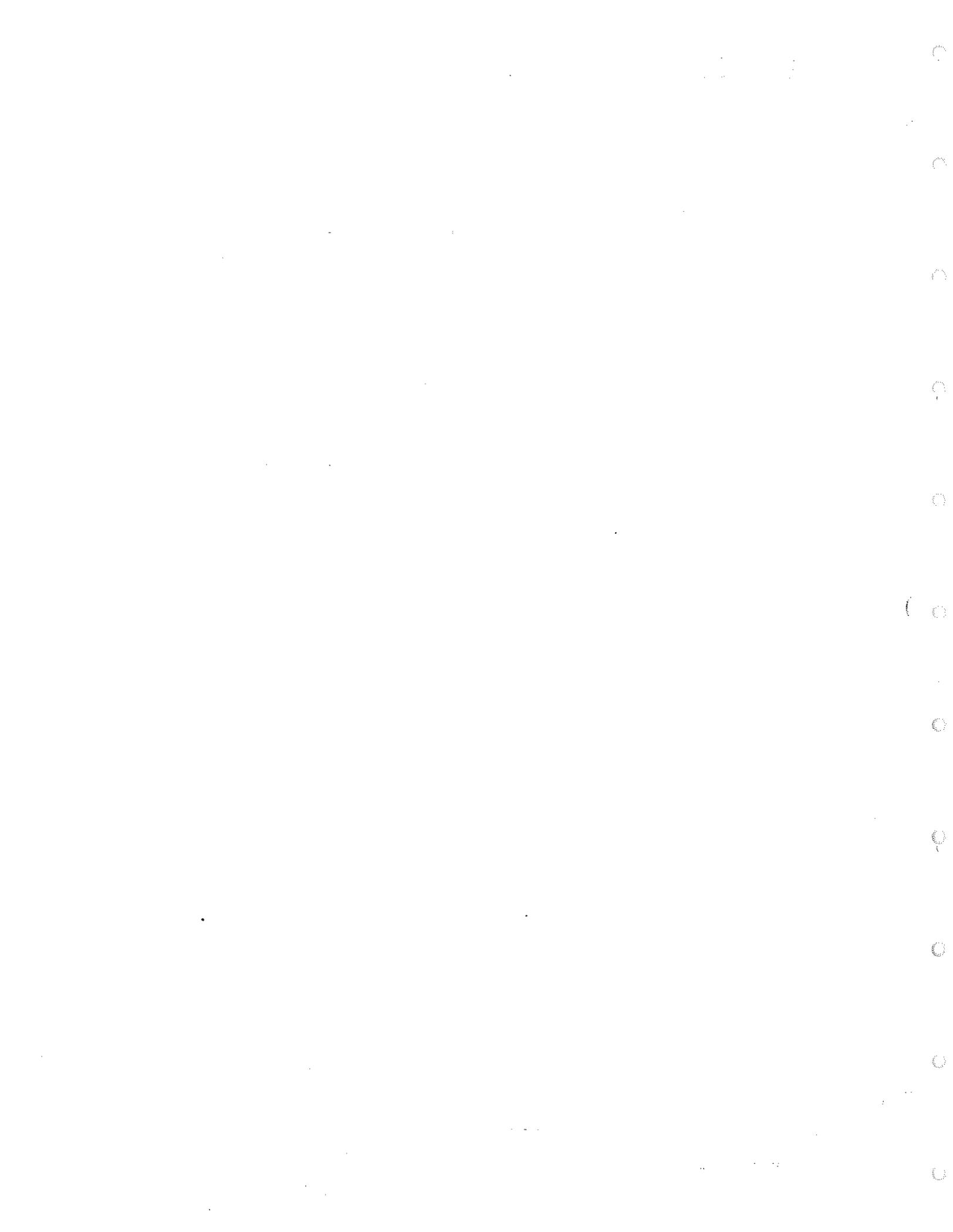
We'll also apply this exclusion to any obligation of the protected person to share damages with or to repay someone else who must pay damages for:

- such loss to that person; or
- loss to the spouse or any child, parent, brother, or sister of that person that results from such loss to that person.

**Other Terms**

All other terms of your policy remain the same.





**PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY PROTECTION - CLAIMS-MADE COVERAGE SUMMARY**



This Coverage Summary shows the limits of coverage, deductible, and the retroactive date that apply to your Public Entity Employment Practices Liability Protection - Claims-Made. It also lists those endorsements, if any, that must have certain information shown for them to apply.

<b>Limits Of Coverage</b>		<b>Retroactive Date:</b> 10/01/00
<b>Each wrongful employment practice offense limit.</b>	\$1,000,000	<b>Important Note:</b> If no date is shown above, we'll consider the retroactive date to be the same as the beginning date of this insuring agreement.
<b>Total limit.</b>	\$2,000,000	
<b>Deductible</b>	\$25,000	

**Named Endorsement Table**

**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.



<b>Name of Insured</b> CITY OF WILLIAMSTOWN	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
	<b>Processing Date</b> 10/12/04 09:27 001	



**PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY PROTECTION - CLAIMS-MADE**

This insuring agreement provides employment practices liability protection for your operations. There are, of course, limitations and exclusions which apply to that protection. As a result, this agreement should be read carefully to determine the extent of coverage provided to you and other protected persons.

**Important note: This is a claims-made insuring agreement that includes defense expenses within the limits of coverage.** To be covered, a claim must be first made or brought against a protected person and reported to us while this agreement is in effect, or during the extended reporting period, if it applies. This agreement should be read carefully, especially the What This Agreement Covers, When This Agreement Covers, and Limits Of Coverage sections.

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after the retroactive date and before the ending date of this agreement; and

- results in a claim first made or brought against a protected person and reported to us while this agreement is in effect, or during the extended reporting period, if it applies.

We'll consider each wrongful employment practice offense in a series of related wrongful employment practice offenses to be committed on the date the first wrongful employment practice offense in the series of related wrongful employment practice offenses is committed.

We'll consider damages to include attorneys' fees of the person or organization making or bringing the claim if the protected person is legally required to pay such fees under the law which the wrongful employment practice offense violated.

*Protected person* means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.

*Employment injury* means employment-related harm to:

- any of your employees;
- any of your prospective or former employees; or
- an independent contractor.

We explain the term employee in the Employees and volunteer workers section.

*Independent contractor* means any person who is not your employee, but who performs duties related to the conduct of your operations in the course of their independent employment in accordance with a contract between you and the independent contractor for specified services.

*Wrongful employment practice offense* means any of the following offenses:

- Employment discrimination.
- Wrongful employment termination.
- Employment-related harassment.
- Retaliatory action against any of your employees.
- Wrongful, excessive, or unfair discipline of any of your employees.

- Wrongful hiring, supervision, or demotion of, or failure to promote, any of your employees; or
- Employment-related misrepresentation, defamation, libel, slander, disparagement, or invasion of privacy.

*Employment discrimination* means any employment-related violation of a natural person's rights with respect to:

- the person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, or physical or mental disability; or
- any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

*Employment-related harassment* means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual, or physical conduct of a sexual or non-sexual nature, when such conduct:

- is connected to a decision affecting a person's employment by you;
- is connected to a decision affecting a person's status as your independent contractor;
- interferes with a person's job performance for you or a person's performance of duties related to the conduct of your operations; or
- creates an intimidating, hostile, or offensive working environment affecting a person's employment by you or a person's performance of duties related to the conduct of your operations.

*Retaliatory action* includes any employment-related action directed at any of your employees that is in response to the employee's:

- exercising any legally afforded rights;
- supporting in any way another person's exercise of any legally afforded rights;
- participating in any strikes or lockouts;
- making any claims against you or any other protected person;
- testifying against you or any other protected person in any legal proceedings;
- declining to perform any illegal or unethical acts; or

- threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your operations.

**Retroactive date** means the earliest date that a wrongful employment practice offense may first be committed and be covered by this agreement. The retroactive date is shown in the Coverage Summary. However, if no retroactive date is shown in the Coverage Summary, we'll consider the retroactive date to be the same as the beginning date of this agreement.

We explain the terms extended reporting period and related wrongful employment practice offenses in the When This Agreement Covers section.

**Right and duty to defend a claim.** We'll have the right and duty to defend any protected person against a claim for covered employment injury.

We'll do so even if any of the allegations of such claim are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any claim to the extent that we believe is proper.

We may, with your written consent, settle any claim. However, if we recommend a settlement to you which is acceptable to the claimant but to which you do not consent, the most we'll pay as damages in the event of a later settlement or judgment is the amount we recommended.

Our duty to defend protected persons against claims for covered employment injury ends when we have used up the limits of coverage that apply with the payment of:

- judgments;
- settlements; or
- defense expenses.

When we defend a claim, we'll pay for defense expenses. Payment of defense expenses will reduce the available limits of coverage. We explain how in the Limits Of Coverage section.

**Claim** means a suit or written demand which seeks damages.

**Suit** means a civil proceeding which seeks damages. It includes:

- an arbitration proceeding for damages to which the protected person must submit or submits with our consent;
- any administrative proceeding or hearing for damages conducted by a governmental agency having the proper legal authority to conduct such proceeding or hearing; or
- any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent.

**Defense expenses** means the following fees, costs, and expenses that result directly from our investigation, defense, or settlement of a specific claim:

- Fees, costs, or expenses of attorneys.
- The cost of legal proceedings.
- Court reporter fees.
- Independent experts' and special investigators' fees, costs, and expenses.
- Expenses incurred by a protected person with our consent.
- Costs for any appeal, attachment, or similar required bonds.
- Costs taxed against a protected person for covered employment injury in a suit, other than attorneys' fees of the person or organization making or bringing the claim.

However, we won't consider any of the following to be defense expenses:

- Adjuster's fees paid to independent adjusters or attorneys for adjusting claims
- Fees, costs, or expenses for coverage opinions.
- Our recovery expenses.

We also won't consider defense expenses to include any fees, costs, or expenses we incur when exercising:

- our right to defend any protected person in an administrative proceeding or hearing that does not seek damages; or
- our right to investigate any allegations relating to such administrative proceeding or hearing.

In addition, we won't consider payments described in the Additional Payments section to be defense expenses.

*Expenses incurred by a protected person with our consent* means the reasonable expenses that a protected person incurs at our request while helping us investigate, or defend a protected person against, a claim. But we won't pay more than \$500 per day for earnings actually lost by a protected person because of time taken off from work.

**Right to defend an administrative proceeding or hearing that does not seek damages.** We'll have the right but not the duty to defend any protected person in an administrative proceeding or hearing that does not seek damages but otherwise alleges covered employment injury.

We'll have the right to investigate any allegations relating to such administrative proceedings or hearings to the extent we believe is proper.

**Transfer of control of defense.** Before the available limit of coverage is used up, you may take over from us control of the defense of any outstanding claim that we are defending, if you and we agree, or if a court orders you to do so.

If the limit of coverage that applies is used up, we'll notify you as soon as we can of all outstanding claims that we are defending and that are subject to that limit, so that you can arrange to take over control of their defense.

During a transfer of control of defense from us to you of an outstanding claim that we are defending, we agree to take whatever steps are necessary to continue that defense and avoid a default judgment during such transfer. When we take any such steps, you agree that we don't waive or give up any of our rights under this agreement. You also agree to repay us for the reasonable expenses we incur for any such steps we take after the available limit of coverage is used up.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment awarded in a suit for covered employment injury if:

- we defend a protected person against the suit; and

- the judgment is awarded against that protected person.

The costs of appealing such a judgment are considered defense expenses. The results of an appeal won't change the limits of coverage that apply under this agreement.

**Additional payments.** We'll have the duty to make only the payments shown below, in addition to the limits of coverage, in connection with any claim under this agreement against a protected person when we:

- investigate or settle the claim; or
- defend the protected person against the claim.

The deductible does not apply to these payments.

Our duty to make such payments ends when we have used up the limits of coverage that apply with the payment of:

- judgments;
- settlements; or
- defense expenses.

**Our expenses.** All expenses, other than defense expenses, we incur.

**Prejudgment interest.** The interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of our offer.

**Postjudgment interest.** All interest that accumulates on the full amount of that part of a judgment for which we make a payment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

### When This Agreement Covers

**During this agreement, or the extended reporting period, if it applies.** We'll apply this agreement to claims for covered employment injury only when they're first:

- made or brought against a protected person; and

- reported to us in writing;

while this agreement is in effect, or during the extended reporting period, if it applies.

We explain the term extended reporting period in the When and how an extended reporting period can be added section.

**When we consider a claim to be first made or brought.** We'll consider a claim for covered employment injury to be first made or brought against a protected person on the earlier of the following dates:

- The date that we or any protected person first receives written notice of such claim.
- The date that we first receive written notice from any protected person of a specific wrongful employment practice offense that caused the loss which resulted in such claim.

We'll consider all claims for covered employment injury that results from:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses;

to have been first made or brought against a protected person on the date the first of those claims was made or brought against a protected person, regardless of whether such date is before or while this agreement is in effect.

***Related wrongful employment practice***

***offenses*** means two or more wrongful employment practice offenses, including any repeated or continuous wrongful employment practice offenses that:

- are related to the same employment injury; or
- have as a common connection, tie, or link any fact, circumstance, situation, event, cause or any series of related facts, circumstances, situations, events, or causes.

**When we consider a claim to be first reported to us.** We'll consider a claim for covered employment injury to be first reported to us on the date that we first receive:

- written notice of such claim from any protected person or from the person or

organization making or bringing the claim; or

- written notice from any protected person of a specific wrongful employment practice offense that caused the loss which resulted in such claim.

We'll consider all claims for covered employment injury that results from:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses;

to have been first reported to us on the date the first of those claims was first reported to us.

Also, we'll consider a claim for covered employment injury that:

- is first made or brought against a protected person while this agreement is in effect; and
- is reported to us in writing within 60 days after the ending date of this agreement; to have been first reported to us in writing on the ending date of this agreement.

However, this 60-day reporting period won't apply to claims for covered employment injury that:

- are covered by any other insurance you buy that takes effect on or after the ending date of this agreement; or
- would have been covered by such insurance if its limit of coverage hadn't been used up.

**What we require in a written notice of a specific wrongful employment practice offense.**

We won't consider a claim to be first made or brought against a protected person and reported to us on the date we receive written notice of a specific wrongful employment practice offense unless that notice contains the following information:

- A description of the wrongful employment practice offense, including its date, time, place, and circumstances.
- The nature of the potential damages.
- The names of each actual or potential claimant and protected person involved.
- The manner in which each of the protected persons first became aware of the circumstances involved.

**When and how an extended reporting period can be added.** If this agreement is canceled or not renewed for any reason, an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

Also, if we renew or replace this agreement with insurance that:

- has a retroactive date later than the retroactive date shown in the Coverage Summary; or
- does not provide coverage on a claims-made basis;

an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

However, we won't issue an Extended Reporting Period Endorsement unless we receive a written request for it from the first named insured shown in the Introduction within 60 days after the ending date of this agreement.

In addition, the Extended Reporting Period Endorsement won't take effect unless:

- your premium for this agreement is paid in full;
- any deductible you owe us is paid in full; and
- the additional premium for the extended reporting period is paid when due.

But once the Extended Reporting Period Endorsement takes effect, it may not be canceled by you or us.

*Extended reporting period* means the 12-, 24-, or 36-month time period, as specified in the Extended Reporting Period Endorsement, starting with the ending date of this agreement, during which claims for covered employment injury may be first made or brought against a protected person and reported to us.

**How the extended reporting period applies.**

When it applies, the extended reporting period doesn't extend the time that this agreement is in effect. As a result, when the extended reporting period applies, we'll consider any claim for covered employment injury that is first made or brought against a protected person and reported to us during

the extended reporting period to have been first made or brought against a protected person and reported to us on the ending date of this agreement.

**How we'll figure the additional premium for the Extended Reporting Period Endorsement.** We'll figure the additional premium for the Extended Reporting Period Endorsement in accordance with our rules and rates.

But we won't charge an additional premium for the Extended Reporting Period that is more than 200% of the annual premium for the last policy year of this agreement.

We explain the term policy year in the Limits Of Coverage section.

**Where This Agreement Covers**

We'll apply, and make payments under, this agreement:

- only in the coverage territory; and
- only for covered employment injury caused by wrongful employment practice offenses that are committed there.

However, we'll also apply, and make payments under, this agreement for covered employment injury that's caused by wrongful employment practice offenses which are committed anywhere in the world if the protected person's liability for such employment injury is determined in a suit on the merits brought in the coverage territory, or in a settlement agreed to by us.

*Coverage territory* means:

- the United States of America, including its territories and possessions;
- Puerto Rico; and
- international waters or airspace only during travel or transportation between any of the above places.

**Who Is Protected Under This Agreement**

**Public entity or other organization.** If you are shown in the Introduction as a named insured and a public entity or other organization, you are a protected person.

*Other organization* includes a corporation, joint power authority, or tribal government.

**Elected or appointed officials.** Your lawfully elected or appointed officials, directors or executive officers are protected persons only for the conduct of their duties as your elected or appointed officials, directors, or executive officers.

**Board members.** Members of your boards are protected persons only for the conduct of their duties for you or for your boards.

*Your boards* means any board, commission, or other governmental unit that:

- is under your authority; and
- is funded and operated as part of your total operating budget.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your operations.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

*Employee* includes a leased worker and a temporary worker. It also includes employees of your boards. Employee does not include an independent contractor or a volunteer worker.

*Leased worker* means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's operations.

*Employee leasing firm* means any person or organization that hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

*Temporary worker* means a worker who is hired to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions.

*Volunteer worker* means any person who performs duties related to the conduct of your operations, other than:

- an employee;
- any of your elected or appointed officials, directors, or executive officers or members of your boards if you are public entity or other organization; or
- an independent contractor.

We explain the term your boards in the Board members section.

**Separation of protected persons.** This agreement applies separately to each protected person.

However, the limits of coverage and deductible shown in the Coverage Summary are shared by all protected persons. We explain how in the Limits Of Coverage and Deductible sections.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

### Limits Of Coverage

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making or bringing claims.

The limits of coverage apply excess of any applicable deductible, and are not reduced by the payment of that deductible.

**Each wrongful employment practice offense limit.** This is the most we'll pay as damages and

defense expenses for all claims for covered employment injury that results from:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses.

We explain the term related wrongful employment practice offenses in the When This Agreement Covers section.

**Total limit.** This is the most we'll pay as damages and defense expenses for the combined total of all claims for covered employment injury that are first made or brought against a protected person and reported to us in a policy year.

We explain when we consider a claim to be first made or brought and when we consider a claim to be first reported to us in the When This Agreement Covers section.

*Policy year* means the policy period shown in the Introduction, or the period of time this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period. During the third policy year, you request and we provide, two separate extensions of the policy period: a three-month extension and then a four-month extension. As a result, the third policy year becomes sixteen months long*

*and is still subject to the same limits of coverage that applied when it was nine months long.*

**How the limits of coverage apply if the total limit is left blank.** If the amount of the Total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the Each wrongful employment practice offense limit or \$100,000, whichever amount is more.

**How the limits of coverage apply to the extended reporting period.** The limits of coverage that apply on the ending date of this agreement aren't renewed or increased for claims for covered employment injury that are first made or brought against a protected person and reported to us during the extended reporting period, if it applies.

### Deductible

The deductible shown in the Coverage Summary and the information contained in this section fix the amount of damages and defense expenses that you'll be responsible for paying over which the limits of coverage will apply, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making or bringing claims.

The deductible won't apply to payments we make under the Additional payments section.

You'll be responsible for the amount of damages and defense expenses within this deductible for all claims for covered employment injury that results from:

- the same wrongful employment practice offense; or
- related wrongful employment practice offenses.

We'll pay all or part of the deductible for you, unless you and we agree that we should do otherwise. When we do make such a payment, you agree to repay that amount to us promptly after we notify you of that payment.

We explain the term related wrongful employment practice offenses in the When This Agreement Covers section.

### **Exclusions - What This Agreement Won't Cover**

**Administrative, civil, or criminal fines or penalties.** We won't cover any administrative, civil, or criminal fine or penalty.

But we won't consider punitive or exemplary damages to be a fine or penalty.

**Bodily injury.** We won't cover bodily injury.

*Bodily injury* means any physical harm, including sickness or disease, to the physical health of other persons.

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

**Breach of contract.** We won't cover employment injury that results from the failure of any protected person to do what is required by any written employment-related contract or agreement, other than a collective bargaining agreement.

**Contract liability.** We won't cover employment injury for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to employment injury for which the protected person would have liability without the contract or agreement.

**Criminal, dishonest, fraudulent, or malicious acts.** We won't cover employment injury that results from any criminal, dishonest, fraudulent, or malicious act or omission committed:

- by the protected person; or
- with the consent or knowledge of the protected person.

However, we won't apply this exclusion to our duty to defend that protected person until it has been determined through legal processes that such act or omission was committed:

- by the protected person; or
- with the consent or knowledge of the protected person.

**Declaratory, injunctive, or other non-monetary relief costs.** We won't cover:

- any cost, expense, or fee; or
- any amount required to comply with a court or administrative order, judgment, ruling, or decree, or a federal, state, or local law;

that results from any action or demand, or any part of any claim, which seeks declaratory, injunctive, or other non-monetary relief.

Such costs, expenses, fees, or amounts include the following:

- The cost of employment reinstatement or continued employment.
- The cost of unpaid compensation, other than front and back wages, earned by the injured person in the course of the person's employment.
- The cost of physical alterations or other changes made to accommodate or afford accessibility to any disabled person.
- The cost of developing, implementing, or enforcing any company policy, procedure, or program.

**Declaratory, injunctive, or other non-monetary relief** includes:

- a judgment which declares the rights and duties of any person or organization; or
- any type of injunction, restraining order, or any other non-monetary relief.

**Employment termination or relocation due to operational decisions.** We won't cover employment injury that results from any termination of employment, or any job relocation or reassignment, that is necessary because you have:

- filed for bankruptcy protection, or been placed in receivership or liquidation;
- merged with, acquired, or been acquired by another entity; or

- transferred any part of your operations to the private sector.

**Known wrongful employment practice offenses.**

We won't cover employment injury that results from any wrongful employment practice offense, including any part of related wrongful employment practice offenses, the protected person knew about before the beginning date from which we have continuously provided Public Entity Employment Practices Liability Protection.

**Multiplied damages.** We won't cover that portion of any multiplied damage award which exceeds the amount multiplied.

**Other employment laws.** We won't cover employment injury that results from any violation of any of the duties or responsibilities required of you as an employer by the following laws, amendments to those laws, or similar provisions of any other laws, rules, or regulations:

- Fair Labor Standards Act, except the Equal Pay Act.
- National Labor Relations Act.
- Worker Adjustment and Retraining Notification Act.
- Consolidated Omnibus Budget Reconciliation Act of 1985.
- Occupational Safety and Health Act.
- Employee Retirement Income Security Act of 1974.

But we won't apply this exclusion to employment injury that results from retaliatory action against any of your employees for the employee's exercising of rights afforded by such laws.

**Property damage.** We won't cover property damage.

*Property damage* means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

**School operations.** We won't cover employment injury that results from the

activities or operations of any school, college, or university.

**Strikes and lockouts.** We won't cover employment injury to any of your employees:

- on strike or locked out; or
- temporarily or permanently replaced; due to any labor dispute, including breach of a collective bargaining agreement.

But we won't apply this exclusion to employment injury that results from retaliatory action taken in response to any of your employees for participating in any strike or lockout.

**Workers compensation and other benefits laws.**

We won't cover any obligation that the protected person has under any:

- workers compensation law;
- disability benefits law;
- unemployment compensation law; or
- similar law.

**Other Insurance**

This agreement is primary insurance.

However, if the protected person has any valid and collectible other insurance for employment injury covered by this agreement, we'll apply this agreement as excess insurance unless such other insurance is specifically written to apply in excess of the limits of coverage for this agreement shown in the Coverage Summary.

When this agreement is excess insurance, we won't have a duty to defend the protected person against the part or parts of any claim for which any other insurer has a duty to defend.

However, we'll defend the protected person against a claim for covered employment injury if no other insurer will do so. In return, we'll require that we be given all of the protected person's rights against each such insurer.

Also, we'll pay only the amount of damages and defense expenses that's in excess of:

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- the total amount that all such other insurance would pay if this agreement didn't exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

But we won't pay more than the limits of coverage that apply under this agreement.

*Other insurance* means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self insurance method or program; or
- any similar risk transfer or risk management method.





**OUR RIGHT TO SETTLE CLAIMS WITHOUT YOUR WRITTEN CONSENT  
ENDORSEMENT - PUBLIC ENTITY EMPLOYMENT PRACTICES LIABILITY**

This endorsement changes your Public Entity  
Employment Practices Liability Protection -  
Claims-Made.

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**How Coverage Is Changed**

The following replaces the fourth paragraph  
in the Right and duty to defend a claim  
section. This change gives us the right to  
settle any claim within the deductible or  
limits of coverage.

We'll also have the right to settle any claim  
within:

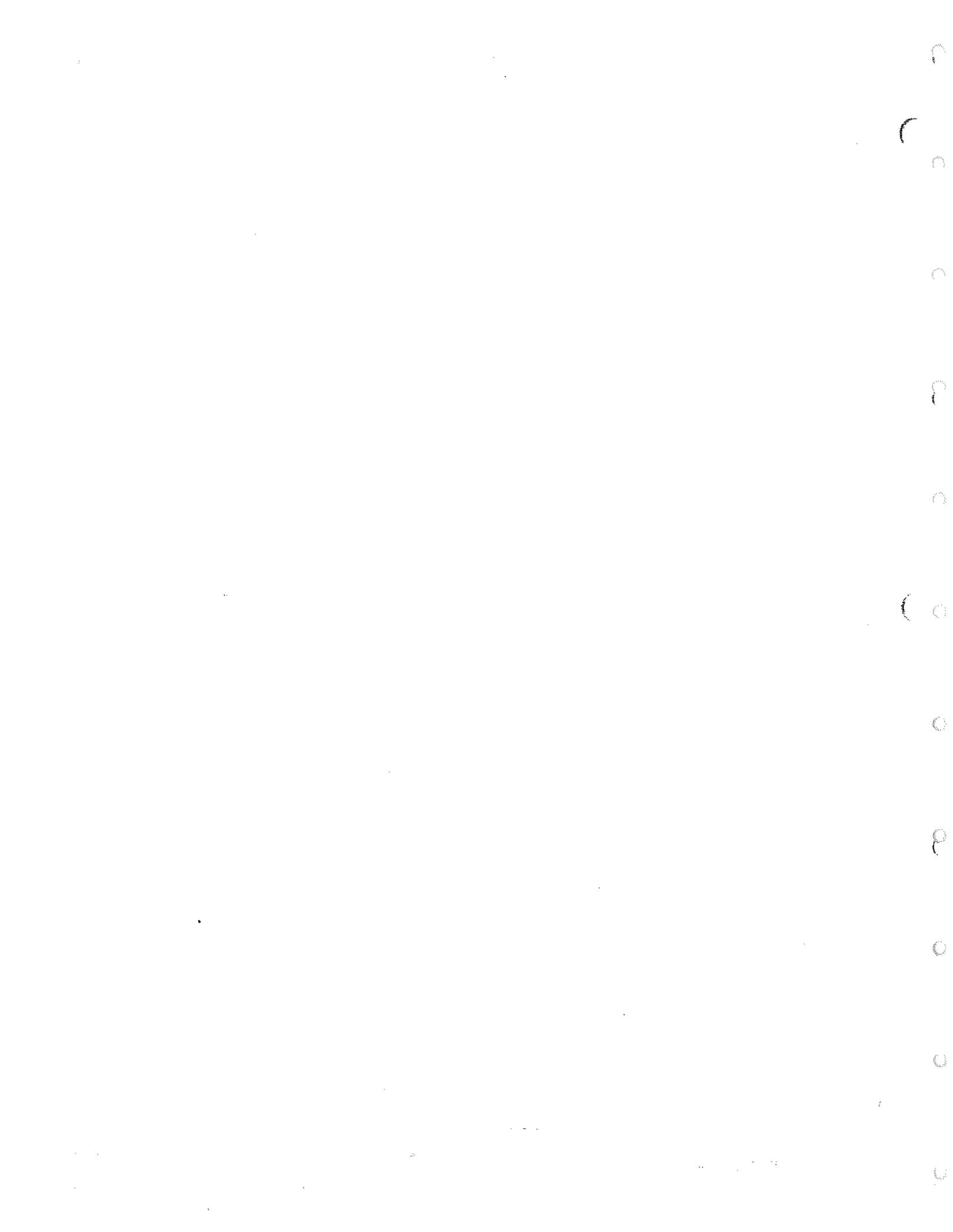
- any applicable deductible; or
- the available limits of coverage that apply.

**Other Terms**

All other terms of your policy remain the  
same.

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**LAW ENFORCEMENT LIABILITY PROTECTION  
 COVERAGE SUMMARY**



This Coverage Summary shows the limits of coverage and deductibles that apply to your Law Enforcement Liability Protection. It also lists those endorsements, if any, that must have certain information shown for them to apply.

Limits Of Coverage		Deductible	
Total limit.	\$2,000,000	Each wrongful act deductible.	\$15,000
Each wrongful act limit.	\$1,000,000		

**Named Endorsement Table**

**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

<b>Name of Insured</b> CITY OF WILLIAMSTOWN	<b>Policy Number</b> GP09313204	<b>Effective Date</b> Processing Date 10/12/04 09:27 001
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This insuring agreement provides professional liability protection for the conduct of law enforcement activities or operations by or for your law enforcement agency. There are, of course, limitations and exclusions which apply to that protection. As a result, this agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

<b>Table of Contents</b>	<b>Page</b>	<b>Other Insurance</b>	<b>9</b>
<b>What This Agreement Covers</b>	<b>1</b>		
Law enforcement liability.	1		
Right and duty to defend a protected person.	2	<b>What This Agreement Covers</b>	
Additional payments.	2		
Right to appeal a judgment against a protected person.	3	<b>Law enforcement liability.</b> We'll pay amounts any protected person is legally required to pay as damages for covered injury or damage that:	
<b>When This Agreement Covers</b>	<b>4</b>	• results from law enforcement activities or operations by or for you;	
<b>Where This Agreement Covers</b>	<b>4</b>	• happens while this agreement is in effect; and	
<b>Who Is Protected Under This Agreement</b>	<b>4</b>	• is caused by a wrongful act that is committed while conducting law enforcement activities or operations.	
Public entity.	4		
Elected or appointed officials.	4	We'll consider damages to include the attorneys' fees of the person or organization bringing the claim if such fees are awarded, or paid in a settlement, for covered injury or damage.	
Employees and volunteer workers.	4		
Separation of protected persons.	5	<b>Protected person</b> means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement Section.	
<b>Limits Of Coverage</b>	<b>5</b>		
Total limit.	5	<b>Injury or damage</b> means bodily injury, personal injury, or property damage.	
Each wrongful act limit.	5		
How the limits of coverage apply if the total limit is left blank.	5	<b>Bodily injury</b> means any harm to the health of other persons. It includes care, loss of services, or death that results from such harm.	
<b>Deductible</b>	<b>5</b>	<b>Harm</b> includes any of the following:	
Each wrongful act deductible.	6	• Physical harm, sickness, or disease.	
<b>Exclusions - What We Won't Cover</b>	<b>6</b>	• Mental anguish, distress, injury, or illness.	
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*Personal injury* means injury, other than bodily injury, caused by any of the following wrongful acts:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry or wrongful eviction.
- Invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies.
- Libel or slander.
- Making known to any person or organization written or spoken material that belittles the products, work, or completed work of others.
- Making known to any person or organization written or spoken material that violates an individual's right of privacy.
- False or improper service of process.
- Violation of civil rights protected under any federal, state, or local law.

*Property damage* means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

We'll consider all loss of use of:

- damaged tangible property to happen at the time of the physical damage which caused it; and
- undamaged tangible property to happen at the time of the wrongful act which caused it.

*Law enforcement activities or operations* means any of the official activities or operations of your police department, sheriff agency, or other public safety organization which enforces the law and protects persons or property.

They include the following:

- Ownership, maintenance, or use of a premises that you own, rent, lease, or borrow in order to perform such activities or operations.
- Providing first aid at the time of an accident, crime, or medical emergency.

*Wrongful act* means any act, error, or omission.

**Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim for injury or damage covered by this agreement. We'll have such right and duty even if all of the allegations of the claim are groundless, false, or fraudulent. But we have no duty to perform any other act or service.

We'll have the right to investigate any claim to the extent that we believe is proper. We'll also have the right to settle any claim within:

- any applicable deductible; or
- the available limits of coverage.

Our duty to defend protected persons ends when we have used up the limits of coverage that apply with the payment of judgments or settlements.

*Claim* means a suit or written demand which seeks damages.

*Suit* means a civil proceeding that seeks damages. It includes:

- an arbitration proceeding for such damages to which the protected person must submit or submits with our consent; and
- any other alternative dispute resolution proceeding for such damages to which the protected person submits with our consent.

**Additional payments.** We'll have the duty to make only the additional payments shown below in connection with any claim under this agreement against a protected person when we:

- investigate or settle the claim; or
- defend the protected person against the claim.

These payments are in addition to the limits of coverage.

Our duty to make additional payments ends when we have used up the limits of coverage that apply with the payment of judgments or settlements.

*Our expenses.* We'll pay all expenses, including our claim expenses, we incur.

*Our claim expenses* includes the following fees, costs, and expenses that result directly from the investigation, defense, or appeal of a specific claim:

- Fees, costs, and expenses of attorneys.
- The cost of legal proceedings.
- Court reporter's, arbitrator's, and mediator's fees.
- Independent expert's and special investigator's fees, costs, and expenses.
- Independent vendor's fees, costs, and expenses.

But we won't consider any of the following to be our claim expenses:

- Our expenses, including salaries, wages, or traveling expenses of our employees, other than fees, costs, or expenses incurred by attorneys employed by us in connection with a specific claim.
- Adjuster's fees paid to independent adjusters or attorneys for adjusting claims.
- Fees, costs, or expenses for coverage opinions.
- Payments we make under the Right to appeal a judgment against a protected person section.
- Our recovery expenses.

We explain how we apply our recovery expenses in the Recovering Damages From A Third Party section in the General Rules, which is a part of your policy.

*Bonds to release property.* We'll pay the costs of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the available limit of coverage. We don't have to furnish such bonds.

*Expenses incurred by protected persons.* We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or settle, or defend a protected person against, a claim. But we won't pay more than \$500 per day for earnings actually lost by the protected person because of time taken off from work.

*Taxed costs.* We'll pay all costs, except attorneys' fees of the person or organization making or bringing the claim, taxed against

any protected person for covered injury or damage in a suit.

*Prejudgment interest.* We'll pay the interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of our offer.

*Postjudgment interest.* We'll pay all interest that accumulates on the full amount of that part of a judgment for which we make a payment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

*Appeal bonds.* If we have the duty to appeal a judgment that includes damages covered by this agreement, and you agree we can appeal that judgment, we'll pay the cost of any appeal bond required for that appeal. But only for that part of the judgment that is for damages covered by this agreement and is within the available limit of coverage. However, we'll pay, or reimburse the protected person, for the cost of a higher appeal bond amount if we're required to do so under the law that applies. But we won't be the principal under any such bond. Nor do we have to furnish any appeal bond. The results of an appeal won't change the limits of coverage that apply under this agreement.

*Personal property of others.* We'll pay up to \$25,000 per policy period for direct physical loss or damage to the personal property of others which:

- is in their possession at the time of their arrest; and
- is in the care, custody, or control of the protected person at the time of the loss or damage.

The each wrongful act deductible applies to this additional payment.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment that we don't have a duty to appeal. But only if the judgment:

- includes damages for injury or damage covered by this agreement;

- is awarded in a suit for which we defend a protected person; and
- is awarded against the protected person.

If we appeal such a judgment, we'll pay the following that result directly from that appeal:

- All expenses we incur.
- All reasonable expenses that any protected person incurs at our request while helping us with the appeal, other than the cost of appeal bonds.
- The cost of any required appeal bond. But only for that part of the judgment that is for damages covered by this agreement and is within the available limit of coverage. However, we'll pay, or reimburse the protected person, for the cost of a higher appeal bond amount if we're required to do so under the law that applies. But we won't be the principal under any such bond. Nor do we have to furnish any appeal bond.
- All postjudgment interest that accumulates on the full amount of the judgment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

These payments are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### When This Agreement Covers

We'll apply this agreement to claims for covered injury or damage whenever they're made or brought.

### Where This Agreement Covers

We'll apply, and make payments under, this agreement:

- only in the coverage territory; and
- only for covered injury or damage that's caused by wrongful acts which are committed there.

However, we'll also apply, and make payments under, this agreement in the coverage territory for covered injury or damage that's caused by wrongful acts which are committed in the rest of the

world. But only if they result from the conduct of law enforcement activities or operations by a person who:

- has a home in the coverage territory; and
- is away for a short time on your business.

*Coverage territory* means:

- the United States of America, including its territories and possessions;
- Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

### Who Is Protected Under This Agreement

**Public entity.** If you are a public entity named in the Introduction, you are a protected person.

**Elected or appointed officials.** Your lawfully elected or appointed officials are protected persons only for the conduct of their duties as your elected or appointed officials.

**Employees and volunteer workers.** Your employees and volunteer workers are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your operations.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of duties for you.

However, no employee or volunteer worker is a protected person for bodily injury or personal injury to:

- you;
- any fellow employee;
- any fellow volunteer worker or any of your employees; or
- the spouse, or any child, parent, brother, or sister of that employee or volunteer worker if such injury results from the bodily injury or personal injury to such fellow employee or volunteer worker.

Nor is any employee or volunteer worker a protected person for any obligation to share damages with or repay someone else who must pay damages because of such bodily injury or personal injury.

*Employee* includes a leased worker, other than a leased temporary worker.

*Volunteer worker* means any person who:

- isn't an employee or a leased temporary worker;
- donates his or her work; and
- isn't paid a fee, salary, or other compensation for that work.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, all protected persons share the limits of coverage shown in the Coverage Summary. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is part of your policy.

### Limits Of Coverage

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay as damages, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making claims or bringing suits.

**Total limit.** This is the most we'll pay for all covered injury or damage that:

- happens in a policy year; and
- is caused by all wrongful acts.

*Policy year* means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that

this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period.*

*During the third policy year you request, and we provide, two separate extensions of the policy period: a three-month extension, and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applies when it was nine months long.*

**Each wrongful act limit.** This is the most we'll pay for all covered injury or damage that:

- happens in a policy year; and
- is caused by any one wrongful act or series of related wrongful acts.

*Series of related wrongful acts* means two or more wrongful acts, including repeated or continuous wrongful acts, that are related to the same injury or damage.

**How the limits of coverage apply if the total limit is left blank.** If the amount of the total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the each wrongful act limit or \$100,000, whichever amount is more.

### Deductible

The deductible shown in the Coverage Summary and the information contained in

this section fix the amount of damages and our claim expenses that you'll be responsible for paying and over which the limits of coverage will apply, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making or bringing claims.

The deductible won't apply to payments we make under the Additional payments section, other than payments made for:

- our claim expenses; or
- personal property of others.

We'll pay all or part of the deductible for you, unless you and we agree that we should do otherwise. When we do make such a payment, you agree to repay that amount to us promptly after we notify you of that payment.

**Each wrongful act deductible.** You'll be responsible for the amount of damages and our claim expenses within this deductible for all claims for covered injury or damage that's caused by:

- the same wrongful act; or
- a series of related wrongful acts.

### **Exclusions - What We Won't Cover**

**Aircraft, auto, mobile equipment.** We won't cover injury or damage that results from the:

- ownership, maintenance, use, or operation;
- loading or unloading; or
- entrustment to others;

of any aircraft, auto, or mobile equipment owned, operated, rented, leased, hired, or borrowed by any protected person.

We'll also apply this exclusion to injury or damage that results from any act, error, or omission related to the policies, procedures, practices, decisions, training, or supervising of personnel as respects the ownership, maintenance, operation, use, loading, unloading, or entrustment to others of any auto or aircraft that you own, operate, rent, lease, hire, or borrow.

But we won't apply this exclusion to injury or damage that results from the use of an aircraft chartered by a protected person if:

- the aircraft is chartered with crew, including a pilot; and
- the protected person isn't using the aircraft to carry persons or property for a charge.

**Auto** means any land motor vehicle, trailer, or semitrailer designed for travel on public streets or roads.

We'll consider any machinery or equipment that's permanently attached to an auto to be part of the auto.

**Mobile equipment** means any land vehicle other than an auto.

**Asbestos.** We won't cover injury or damage that results from any actual, alleged, or threatened:

- absorption, ingestion, or inhalation of asbestos in any form by any person; or
- existence of asbestos in any form.

Nor will we cover injury or damage that results from any actual, alleged, or threatened:

- absorption, ingestion, or inhalation of any other solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, and waste, in any form by any person; or
- existence of any such other irritant or contaminant in any form;

and is part of any claim that also alleges any injury or damage described in the first paragraph of this exclusion.

We also won't cover any loss, cost, or expense that results from any request, demand, order, or statutory or regulatory requirement that any protected person or others:

- test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize asbestos in any form; or
- respond to, or assess, in any way the effects of asbestos in any form.

Because asbestos, and any such other irritants or contaminants, are pollutants, this

exclusion applies in addition to any of the following exclusions that apply:

- Pollution injury or damage exclusion.
- Pollution work loss, cost, or expense exclusion.
- Any other pollution-related exclusion made part of this agreement.

We explain the terms pollutant and waste in the Pollution injury or damage exclusion.

**Contract liability.** We won't cover injury or damage for which the protected person has assumed liability under any contract or agreement.

However, we won't apply this exclusion to liability for injury or damage the protected person would have without the contract or agreement.

**Control of property.** We won't cover property damage to the following property:

- Property you own, rent, lease, occupy, or borrow.
- Personal property in the care, custody, or control of any protected person.

But we won't apply this exclusion to the payments we make under the Additional payments section for the Personal property of others additional payment.

**Criminal, dishonest, fraudulent, or malicious acts.**

We won't cover injury or damage that results from any criminal, dishonest, fraudulent, or malicious act or omission committed:

- by the protected person; or
- with the consent or knowledge of the protected person.

However, we won't apply this exclusion to our duty to defend that protected person until it has been determined through legal processes that such act or omission was committed:

- by the protected person; or
- with the consent or knowledge of the protected person.

Nor will we apply this exclusion to personal injury caused by malicious prosecution.

**Declaratory, injunctive, or other non-monetary relief.** We won't cover:

- any cost, expense, or fee; or
- any amount required to comply with a court or administrative order, judgment, ruling, or decree;

that results from any action or demand, or any part of any claim, which seeks declaratory, injunctive, or other non-monetary relief.

**Employers liability.** We won't cover bodily injury to an employee of the protected person arising out of and in the course of his or her:

- employment by the protected person; or
- performance of duties related to the conduct of the protected person's operations.

Nor will we cover bodily injury to the spouse, or any child, parent, brother, or sister of that employee which results from the bodily injury to that employee.

We'll apply this exclusion whether the protected person may be held liable as an employer or in any other capacity, such as a property owner.

We'll also apply this exclusion to any obligation of the protected person to share damages with or repay someone else who must pay damages because of bodily injury to any employee of the protected person.

**Employment-related practices.** We won't cover bodily injury or personal injury to any protected person's employee, prospective or former employee, leased temporary worker, or independent contractor that results from any employment-related practices.

Nor will we cover bodily injury or personal injury to the spouse or any child, parent, brother, or sister of that employee, worker, or independent contractor which results from the bodily injury or personal injury to that employee, worker, or independent contractor.

We'll also apply this exclusion to any obligation of the protected person to share damages with or to repay someone else who must pay damages for:

- such bodily injury or personal injury to that employee, worker, or independent contractor; or
- bodily injury or personal injury to the spouse or any child, parent, brother, or sister of that employee, worker, or independent contractor that results from such bodily injury or personal injury to that employee, worker, or independent contractor.

*Independent contractor* means any person who:

- in accordance with a contract between that person and the protected person for specified services, performs duties related to the conduct of the protected person's operations; and
- is not the protected person's employee or leased temporary worker.

*Employment-related practices* means:

- refusal to employ that person;
- termination of that person's employment; or
- other employment-related act, omission, policy, or practice, committed upon or applied to that person, such as coercion, libel or slander, demotion, discipline, discrimination, evaluation, harassment, humiliation, or reassignment of or against that person, or violation of that person's right of privacy.

We explain the terms employee and leased temporary worker in the Employees and volunteer workers section.

**Health care professional services.** We won't cover injury or damage that results from the performance of or failure to perform health care professional services by a health care professional.

However, we won't apply this exclusion to the protected person's providing of or failure to provide first aid.

Nor will we apply this exclusion to the handling or treatment of corpses by a protected person while performing law enforcement activities or operations.

Also, we won't apply this exclusion to any protected person who isn't a medical doctor

or nurse for injury or damage that results from the dispensing of:

- drugs; or
- medical or dental supplies and appliances.

*Health care professional services* includes:

- any dental, medical, mental, nursing, surgical, x-ray, or other health care professional service, including any advice, instruction, food, or beverage provided with such service;
- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

**Injury to volunteer workers.** We won't cover bodily injury or personal injury to any volunteer worker who is injured in the conduct of law enforcement activities or operations within the scope of their duties for you.

**Nuclear energy liability.** We won't cover injury or damage that results from the hazardous properties of any nuclear material.

*Hazardous properties* includes radioactive, toxic, or explosive properties.

*Nuclear material* means any nuclear material defined in the Federal Atomic Energy Act, or any of its amendments.

**Pollution injury or damage.** We won't cover injury or damage that results from pollution at, on, in, or from any:

- protected person's premises;
- waste site; or
- protected person's work site.

Nor will we cover injury or damage that result from pollution involving any waste pollutant.

But we won't apply this exclusion to injury or damage that results from:

- building heating equipment fumes, smoke, soot, or vapors;
- contractor or service work materials fumes, gases, or vapors;
- hostile fire heat, fumes, or smoke; or
- mobile equipment operating fluids.

Also, we won't apply this exclusion to injury or damage that results from the use of mace, pepper spray, or tear gas.

**Pollution** means any actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of any pollutant.

**Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

**Waste** means materials to be recycled, reconditioned, or reclaimed.

**Pollution work** means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing of any pollutant; or
- the responding to, or assessing, in any way the effects of any pollutant.

**Hostile fire** means a fire that:

- becomes uncontrollable; or
- breaks out from where it was intended to be.

**Pollution work loss, cost, or expense.** We won't cover any loss, cost, or expense that results from:

- any request, demand, order, or statutory or regulatory requirement that any protected person or others perform pollution work; or
- any claim by or for any governmental authority for damages that result from the performance of pollution work.

But we won't apply this exclusion to any damages for property damage for which the protected person would have liability without such:

- request, demand, order, or statutory or regulatory requirement; or
- claim.

**Workers compensation or other benefits laws.**

We won't cover any obligation that the protected person has under any:

- workers compensation law;

- disability benefits law;
- unemployment compensation law; or
- similar law.

### Other Insurance

This agreement is primary insurance. If there is any valid and collectible other insurance for injury or damage covered by this agreement, we'll pay the portion of the damages which:

- exceeds the deductible that applies; and
- equals our percentage of the total of all limits that apply.

But we won't pay more than the limits of coverage that apply under this agreement. For example:

*You are required by a court to pay damages of \$100,000. The limit of coverage under this agreement is \$100,000. And the deductible is \$1,000. Another insurance policy with a limit of \$100,000 also applies. The total limit of insurance is \$200,000.*

*Our limit is 50% (\$100,000/\$200,000) of the total limit. But we won't pay 50% of \$100,000, which is equal to \$50,000. We'll pay only \$49,500, which is equal to 50% of the amount of the judgment that exceeds our \$1,000 deductible (\$100,000 - \$1,000 = \$99,000).*

**Other insurance** means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self-insurance method or program, other than any funded by you and over which this agreement applies; or
- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance, or excess insurance, that you bought specifically to apply in excess of the limits of coverage that apply under this agreement to be other insurance.



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# MOLD, OTHER FUNGI, OR BACTERIA EXCLUSION ENDORSEMENT - LAW ENFORCEMENT LIABILITY

The **St Paul**

This endorsement changes your Law Enforcement Liability Protection.

## How Coverage Is Changed

The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

**Mold, other fungi, or bacteria.** We won't cover injury or damage that results from any actual, alleged, or threatened:

- absorption, ingestion, or inhalation of mold or other fungi, or bacteria, in any form by any person; or
- existence of mold or other fungi, or bacteria, in any form.

But we won't apply this exclusion part to:

- bodily injury or property damage that results from mold or other fungi, or bacteria, which are, or are on, in, or part of, any good or product that's intended to be consumed as a food, beverage, or medicine;
- bodily injury that results from bacteria which are directly transmitted solely by or from another person to the person sustaining the bodily injury; or
- bodily injury that results from a bacterial infection which develops in connection with physical harm to the person sustaining the bodily injury, if such physical harm isn't excluded by this exclusion part, or any other part of this exclusion, and a claim or suit is made or brought against the protected person for such physical harm.

Nor will we cover any loss, cost, or expense that results from any request, demand, order, or statutory or regulatory requirement that any protected person or others:

- test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize mold or other fungi, or bacteria, in any form; or
- respond to, or assess, in any way the effects of mold or other fungi, or bacteria, in any form.

Because mold or other fungi, or bacteria, can be pollutants, this exclusion applies in addition to any of the following exclusions that apply:

- Pollution exclusion.
- Any other pollution-related exclusion made part of this agreement.

*Mold or other fungi* means:

- any type or form of mold or mildew;
- any other type or form of fungus; or
- any mycotoxin, spore, scent, or byproduct that's produced or released by such mold, mildew, or other fungus.

*Bacteria* means:

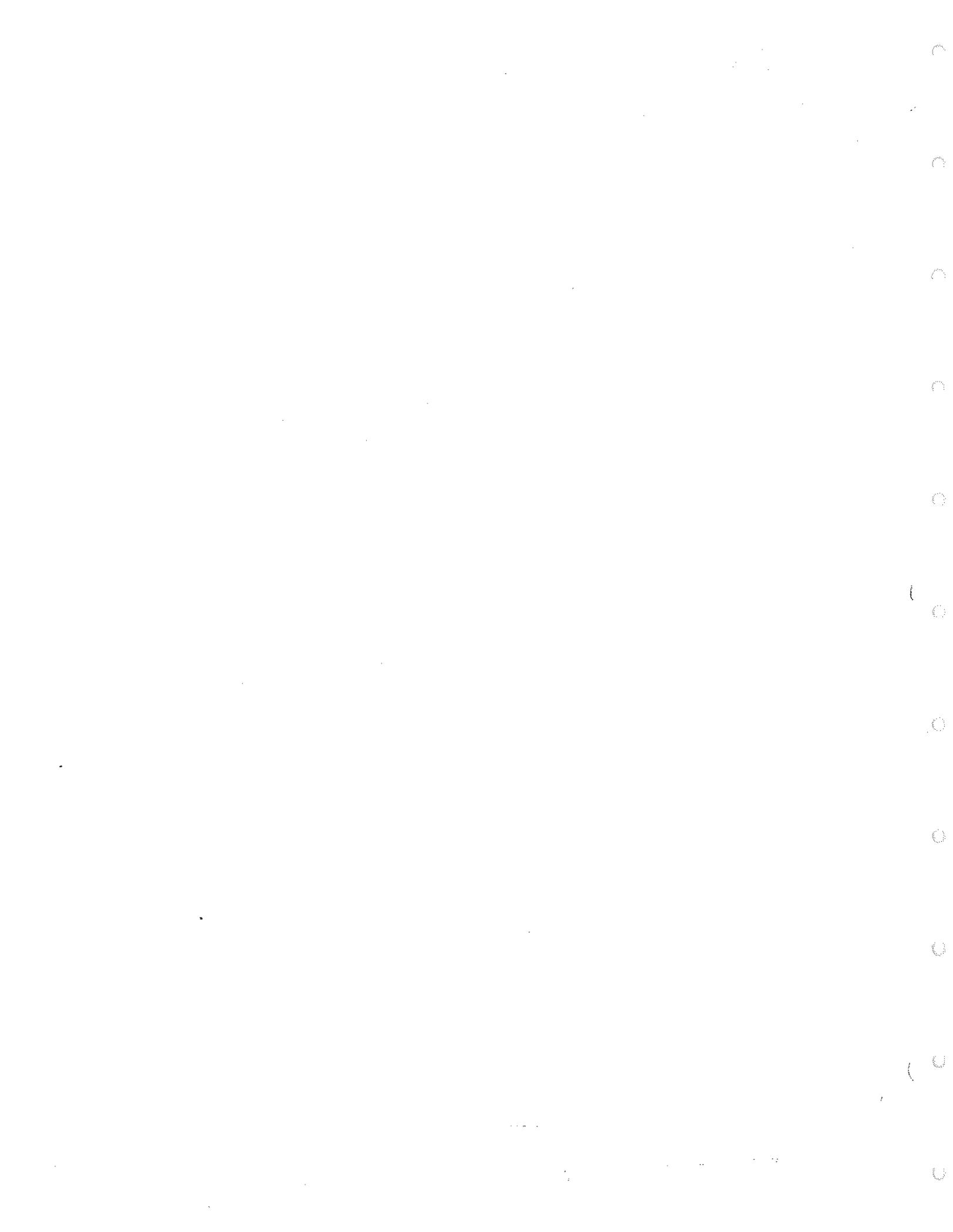
- any type or form of bacterium; or
- any mycotoxin, spore, scent, or byproduct that's produced or released by such bacterium.

We explain the term pollutant in the Pollution exclusion.

## Other Terms

All other terms of your policy remain the same.





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**PUBLIC ENTITY MANAGEMENT LIABILITY  
PROTECTION - CLAIMS-MADE  
COVERAGE SUMMARY**

This Coverage Summary shows the limits of coverage, deductible, and the retroactive date that apply to your Public Entity Management Liability Protection - Claims-Made. It also lists those endorsements, if any, that must have certain information shown for them to apply.

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**Limits Of Coverage**

**Deductible**

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**Each wrongful act limit.      \$1,000,000**

**Each wrongful act deductible.      \$5,000**

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**Total limit.                      \$2,000,000**

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**Retroactive Date: 10/01/2000**

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**Important Note:** If no date is shown above, we'll consider the retroactive date to be the same as the beginning date of this insuring agreement.

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**Named Endorsement Table**

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**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply, too. If so, they're listed on the Policy Forms List.

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**Name of Insured**  
CITY OF WILLIAMSTOWN

**Policy Number** GP09313204

**Effective Date**

**Processing Date** 10/12/04 09:27 001



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**PUBLIC ENTITY MANAGEMENT LIABILITY PROTECTION - CLAIMS-MADE**

**The St Paul**

This insuring agreement provides management liability protection for the conduct of duties by or for a public entity. There are, of course, limitations and exclusions which apply to that protection. As a result, this agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

**Important note: This is a claims-made insuring agreement.** To be covered, a claim must be first made or brought while this agreement is in effect, or during the limited reporting period or the extended reporting period, if either one applies. This agreement should be read carefully, especially the What This Agreement Covers, When This Agreement Covers, and Limits Of Coverage sections.

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## What This Agreement Covers

**Public entity management liability.** We'll pay amounts any protected person is legally required to pay as damages for covered loss that:

- results from the conduct of duties by or for a public entity;
- is caused by a wrongful act committed on or after the retroactive date and before the ending date of this agreement; and
- results in a claim first made or brought while this agreement is in effect, or during the limited reporting period or the extended reporting period, if either one applies.

We'll consider each wrongful act in a series of related wrongful acts to be committed on the date the first wrongful act in the series of related wrongful acts is committed.

*Protected person* means any person or public entity who qualifies as a protected person under the Who Is Protected Under This Agreement section.

*Public entity* means a municipality, county, or other governmental body, department, or unit.

*Wrongful act* means any act, error, or omission.

*Retroactive date* means the earliest date that a wrongful act may first be committed and be covered by this agreement. The retroactive date is shown in the Coverage Summary. However, if no retroactive date is shown there, we'll consider the retroactive date to be the same as the beginning date of this agreement.

We explain the terms limited reporting period, extended reporting period, and related wrongful acts in the When This Agreement Covers section.

**Right and duty to defend a claim.** We'll have the right and duty to defend any protected person against a claim for covered loss.

We'll do so even if any of the allegations of such claim are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

We'll have the right to investigate any claim to the extent that we believe is proper.

We may, with your written consent, settle any claim. However, if we recommend a settlement to you which is acceptable to the claimant but to which you do not consent, the most we'll pay as damages in the event of a later settlement or judgment is the amount we recommended.

Our duty to defend protected persons against claims for covered loss ends when we have used up the limits of coverage that apply with the payment of judgments or settlements.

*Claim* means a suit or written demand which seeks damages.

*Suit* means a civil proceeding which seeks damages. It includes:

- an arbitration proceeding for damages to which the protected person must submit or submits with our consent; and
- any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent.

**Additional payments.** We'll have the duty to make only the payments shown below, in addition to the limits of coverage, in connection with any claim under this agreement against a protected person when we:

- investigate or settle the claim; or
- defend the protected person against the claim.

The deductible does not apply to these payments.

Our duty to make such payments ends when we have used up the limits of coverage that apply with the payment of judgment or settlements.

**Our expenses.** All expenses, including our claim expenses, we incur.

**Our claim expenses** includes the following fees, costs, and expenses that result directly from the investigation, defense, or settlement of a specific claim:

- Fees, costs, or expenses of attorneys.
- The cost of legal proceedings.

- Court reporter fees.
- Independent experts' and special investigators' fees, costs, and expenses.
- Independent vendor's fees, costs, or expenses.

But we won't consider any of the following to be our claim expenses:

- Our expenses, including salaries, wages, or traveling expenses of our employees, other than fees, costs, or expenses incurred by attorneys employed by us in connection with a specific claim.
- Adjuster's fees paid to independent adjusters or attorneys for adjusting claims.
- Fees, costs, or expenses for coverage opinions.
- Recovery expenses incurred by us.

However, we explain how we'll first deduct our recovery expenses in the Recovering Damages From A Third Party section in the General Rules attached to your policy.

**Bonds to release property.** The cost of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the limit of coverage that applies. We don't have to furnish such bonds.

**Expenses incurred by protected persons.** All reasonable expenses that any protected person incurs at our request while helping us investigate, or defend a protected person against, a claim. But we won't pay more than \$500 per day for earnings actually lost by the protected person because of time taken off from work.

**Taxed costs.** All costs taxed against any protected person for covered loss in a suit.

**Prejudgment interest.** The interest that accumulates before a judgment and is awarded against the protected person on that part of a judgment we pay. But if we make a settlement offer to pay the available limit of coverage, we won't pay the prejudgment interest that accumulates after the date of our offer.

**Postjudgment interest.** All interest that accumulates on the full amount of that part of a judgment for which we make a payment. But only from the date of the judgment to the date we pay, or deposit in

court, the limit of coverage that applies to the judgment.

**Right to appeal a judgment against a protected person.** We'll have the right to appeal a judgment awarded in a suit for covered loss if:

- we defend a protected person against the suit; and
- the judgment is awarded against that protected person.

If we appeal such a judgment, we'll pay all expenses which result directly from that appeal, including postjudgment interest and the cost of appeal bonds. Such appeal expenses are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### When This Agreement Covers

**During this agreement or the limited reporting period, if it applies.** We'll apply this agreement to claims for covered loss only when they're first made or brought:

- while this agreement is in effect; or
- during the limited reporting period, if it applies.

**Limited reporting period** means the 60 days, starting with the ending date of this agreement, during which claims for covered loss may be first made or brought.

**When we consider a claim to be first made or brought.** We'll consider a claim for covered loss to be first made or brought on the earliest of the following dates:

- The date that we or any protected person first receives written notice of such claim.
- The date that we first receive written notice from any protected person of a specific wrongful act that caused the loss which resulted in such claim.

We'll consider all claims for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts;

to have been first made or brought on the date that the first of such claims was first made or brought, regardless of whether such

date is before or while this agreement is in effect.

*Related wrongful acts* means two or more wrongful acts that have as a common nexus any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situations, events, transactions, or causes.

**What we require in a written notice of a specific wrongful act.** We won't consider a claim to be first made or brought on the date we receive written notice of a specific wrongful act unless that notice contains the following information:

- A description of the wrongful act, including its date, time, place, and circumstances.
- The nature of the potential damages.
- The names of each actual or potential claimant and protected person involved.
- The manner in which each of the protected persons first became aware of the circumstances involved.

**When the limited reporting period will apply.**

The limited reporting period will automatically apply without an additional premium if this agreement is canceled or not renewed for any reason. It may not be canceled by you or us once it applies.

However, the limited reporting period won't apply to claims for covered loss which:

- are covered by any other insurance you buy that takes effect on or after the ending date of this agreement; or
- would have been covered by such insurance if its limits of coverage hadn't been used up.

**How the limited reporting period applies.** The limited reporting period doesn't extend the time that this agreement is in effect. As a result, we'll consider any claim for covered loss that is first made or brought during the limited reporting period to have been made or brought on the ending date of this agreement.

**When and how an extended reporting period can be added.** If this agreement is canceled or not renewed for any reason, an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

Also, if we renew or replace this agreement with insurance that:

- has a retroactive date later than the retroactive date shown in the Coverage Summary; or
- does not provide coverage on a claims-made basis;

such an extended reporting period can be added with an Extended Reporting Period Endorsement and the payment of an additional premium.

However, we won't issue the Extended Reporting Period Endorsement unless we receive a written request for it from the first named insured shown in the Introduction within 60 days after the ending date of this agreement.

In addition, the Extended Reporting Period Endorsement won't take effect unless:

- your premium for this agreement is paid in full;
- any deductible you owe us is paid in full; and
- the additional premium for the extended reporting period is paid when due.

But once the Extended Reporting Period Endorsement takes effect, it may not be canceled by you or us.

*Extended reporting period* means the 12-month time period, starting with the ending date of this agreement, during which claims for covered loss may be first made or brought.

**How the extended reporting period applies.**

When it applies, the extended reporting period doesn't extend the time that this agreement is in effect. As a result, when the extended reporting period applies, we'll consider any claim for covered loss that is first made or brought during the extended reporting period to have been first made or brought on the ending date of this agreement.

**How we'll figure the additional premium for the Extended Reporting Period Endorsement.** We'll figure the additional premium for the Extended Reporting Period Endorsement in accordance with our rules and rates. But we won't charge an additional premium for the Extended Reporting Period Endorsement that

is more than 75% of the annual premium for the last policy year of this agreement.

We explain the term policy year in the Limits Of Coverage section.

**When the extended reporting period will apply as excess insurance.** The Extended Reporting Period Endorsement will cause this agreement to be excess insurance over any valid and collectible other insurance that begins or continues in effect after the endorsement takes effect. It will do so whether such other insurance applies on a primary, excess, contingent, or any other basis.

### Where This Agreement Covers

We'll apply, and make payments under, this agreement:

- only in the coverage territory; and
- only for covered loss caused by wrongful acts that are committed there.

However, we'll also apply, and make payments under, this agreement for covered loss that's caused by wrongful acts which are committed anywhere in the world if the protected person's liability for such loss is determined in a suit on the merits brought in the coverage territory, or in a settlement agreed to by us.

**Coverage territory** means:

- the United States of America, including its territories and possessions;
- Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

### Who Is Protected Under This Agreement

**Public entity.** If you are shown in the Introduction as a named insured and a public entity, you are a protected person.

**Elected or appointed officials.** Your lawfully elected or appointed officials are protected persons only for the conduct of their duties for you.

**Board members.** Members of your boards are protected persons only for the conduct of their duties for you or for your boards.

**Your boards** means any board, commission, or other governmental unit that:

- is under your authority; and
- is funded and operated as part of your total operating budget.

**Employees.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your operations.

**Employee** means full-time or part-time employees. It includes employees of your boards. It does not include leased workers, leased temporary workers, volunteer workers, or independent contractors.

**Leased worker** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's operations.

**Employee leasing firm** means any person or organization who hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Leased temporary worker** means a leased temporary worker who is hired to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions.

We explain the term your boards in the Board members section.

**Estates, heirs, legal representatives, or assigns.** The estates, heirs, legal representatives, or assigns of deceased, incompetent, insolvent, or bankrupt protected persons are protected persons. But such estates, heirs, legal representatives, or assigns are protected persons only to the extent that coverage would have otherwise applied under this

agreement in the absence of such death, incompetence, insolvency, or bankruptcy.

**Volunteer workers.** Your volunteer workers are protected persons only for work or activities they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

*Volunteer worker* means any person who performs duties related to the conduct of your operations, other than:

- an employee;
- any of your elected or appointed officials or members of your boards; or
- any independent contractor.

*Independent contractor* means any person or organization who is not your employee, but who performs duties related to the conduct of your operations in the course of their independent employment in accordance with a contract between you and the independent contractor for specified services.

**Separation of protected persons.** This agreement applies separately to each protected person.

However, the limits of coverage and deductible shown in the Coverage Summary are shared by all protected persons. We explain how in the Limits Of Coverage and Deductibles sections.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

### Limits Of Coverage

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making or bringing claims.

The limits of coverage apply excess of any applicable deductible, and are not reduced by the payment of that deductible.

**Each wrongful act limit.** This is the most we'll pay as damages for all claims for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts.

We explain the term related wrongful acts in the When This Agreement Covers section.

**Total limit.** This is the most we'll pay as damages for the combined total of all claims for covered loss that are first made or brought in a policy year.

We explain when we consider a claim to be first made or brought in the When This Agreement Covers section.

*Policy year* means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the Introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period. During the third policy year, you request and we provide, two separate extensions of the policy period: a three-month extension and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applied when it was nine months long.*

**How the limits of coverage apply if the total limit is left blank.** If the amount of the Total limit is left blank in the Coverage Summary, we'll consider that total limit to be the same as the Each wrongful act limit or \$100,000, whichever amount is more.

**How the limits of coverage apply to the limited and extended reporting periods.** The limits of coverage that apply on the ending date of this agreement aren't renewed or increased for claims for covered loss that are first made or brought during the:

- limited reporting period, if it applies; or
- extended reporting period, if it's added by endorsement.

### Deductible

The deductible shown in the Coverage Summary and the information contained in this section fix the amount of damages and our claim expenses that you'll be responsible for paying and over which the limits of coverage will apply, regardless of the number of:

- protected persons;
- claims made or brought; or
- persons or organizations making or bringing claims.

The deductible won't apply to payments we make under the Additional payments section, other than our claim expenses.

We'll pay all or part of the deductible for you, unless you and we agree that we should do otherwise. When we do make such a payment, you agree to repay that amount to us promptly after we notify you of that payment.

**Each wrongful act deductible.** You'll be responsible for the amount of damages and our claim expenses within this deductible for all claims for covered loss that is caused by:

- the same wrongful act; or
- related wrongful acts.

We explain the term related wrongful acts in the When This Agreement Covers section.

### Exclusions – What This Agreement Won't Cover

**Boards and commissions.** We won't cover loss that results from any activities or operations of the following boards, commissions, or governmental units:

- Airports.
- Electric or gas utilities.
- Health care facilities, including clinics, hospitals, nursing homes, rehabilitation facilities, or blood banks.
- Housing authorities.
- Joint power authorities or entities.
- Port authorities.
- Schools.
- Transit authorities.

**Breach of contract.** We won't cover loss that results from the failure of any protected person to do what is required by any contract or agreement, other than a mutual aid agreement.

**Claims by protected persons against protected persons.** We won't cover loss for which any claim is made or brought by, or on behalf of, any current or former protected person against any current or former protected person.

**Complaint or enforcement action.** We won't cover loss that results from any complaint, enforcement action, claim, or suit brought by or for any federal, state, or local governmental regulatory or enforcement agency against any protected person.

**Contract liability.** We won't cover loss for which the protected person has assumed liability under any contract or agreement.

But we won't apply this exclusion to loss for which the protected person would have liability without the contract or agreement.

**Criminal, dishonest, fraudulent, or intentionally wrongful acts.** We won't cover loss that results from any criminal, dishonest, fraudulent, or intentionally wrongful act or omission committed:

- by the protected person; or
- with the consent or knowledge of the protected person.

However, we won't apply this exclusion to our duty to defend that protected person until it has been determined by legal processes that such act or omission was committed:

- by the protected person; or
- with the consent or knowledge of the protected person.

**Debt financing.** We won't cover loss that results from any type of debt financing issued by or for you.

*Debt financing* includes bonds, debentures, guarantees of debt, or notes.

**Declaratory, injunctive, or other non-monetary relief.** We won't cover:

- any cost, expense, or fee; or
- any amount required to comply with a court or administrative agency order, judgment, ruling or decree, or a federal, state, or local law;

that results from any action or demand, or any part of any claim, which seeks declaratory, injunctive, or other non-monetary relief.

Such costs, expenses, fees, or amounts include the following:

- The costs of physical alterations or other changes made to accommodate or afford accessibility to any disabled person.
- The cost of developing, implementing, or enforcing any company policy, procedure, or program.

*Declaratory, injunctive, or other non-monetary relief* includes:

- a judgment which declares the rights and duties of any person or organization; or
- any type of injunction, restraining order, or any other non-monetary relief.

**Employee benefit plans administration.** We won't cover loss that results from any wrongful act committed by or for any protected person in:

- the administration of any employee benefit plan; or
- the conduct of any fiduciary duty for any employee benefit plan.

**Employment-related practices.** We won't cover loss that results from a wrongful employment practice offense.

*Wrongful employment practice offense* means any of the following offenses:

- Employment discrimination.
- Wrongful employment termination.
- Employment-related harassment.
- Retaliatory action against any of your employees.
- Wrongful, excessive, or unfair discipline of any of your employees.
- Wrongful hiring, supervision, or demotion of, or failure to promote, any of your employees; or
- Employment-related misrepresentation, defamation, libel, slander, disparagement, or invasion of privacy.

*Employment discrimination* means any employment-related violation of a natural person's rights with respect to:

- the person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, or physical or mental disability; or
- any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

*Employment-related harassment* means any unwelcome sexual advance, request for sexual favors, or other verbal, visual, or physical conduct of a sexual or non-sexual nature, when such conduct:

- is connected to a decision affecting a person's employment by you;
- is connected to a decision affecting a person's status as your independent contractor;
- interferes with a person's job performance for you or a person's performance of duties related to the conduct of your operations; or
- creates an intimidating, hostile, or offensive working environment affecting a person's employment by you or a person's performance of duties related to the conduct of your operations.

*Retaliatory actions* includes any employment-related action directed at any of your

employees that is in response to the employee's:

- exercising any legally afforded rights;
- supporting in any way another person's exercise of any legally afforded rights;
- participating in any strikes or lockouts;
- making any claims against you or any other protected person;
- testifying against you or any other protected person in any legal proceedings;
- declining to perform any illegal or unethical acts; or
- threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your operations.

**Health care professional services.** We won't cover loss that results from the performance of or failure to perform health care professional services.

*Health care professional services* includes:

- dental, medical, mental, nursing, surgical, x-ray and other health care professional services, including food or beverages provided with those services;
- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

**Injury or damage.** We won't cover loss resulting from injury or damage.

*Injury or damage* means:

- bodily injury, personal injury, or advertising injury; or
- property damage.

*Bodily injury* means any physical harm, including sickness or disease, to the physical health of other persons.

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:

- Mental anguish, injury, or illness.
- Emotional distress.
- Care, loss of services, or death.

*Property damage* means:

- physical damage to tangible property of others, including all resulting loss of use of that property; or
- loss of use of tangible property of others that isn't physically damaged.

*Personal injury* means injury, other than bodily injury or advertising injury, caused by a personal injury offense.

*Personal injury offense* means any of the following offenses:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry into, or wrongful eviction from, a room, dwelling, or premises that a person occupies, if such entry or eviction is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies, if such invasion is committed by or for the landlord, lessor, or owner of that room, dwelling, or premises.
- Libel or slander.
- Making known to any person or organization written or spoken material that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization written or spoken material that violates a person's right of privacy.

*Advertising injury* means injury, other than bodily injury or personal injury, caused by an advertising injury offense.

*Advertising injury offense* means any of the following offenses:

- Libel or slander.
- Making known to any person or organization written or spoken material that disparages the business, premises, products, services, work, or completed work of others.
- Making known to any person or organization written or spoken material that violates a person's right of privacy.



- Unauthorized use of any advertising idea or advertising material, or any slogan or title, of others in your advertising.

*Advertising* means attracting the attention of others by any means for the purpose of:

- seeking customers or supporters; or
- increasing sales or business.

*Advertising idea* means a manner or style of advertising that others use and intend to attract attention in their advertising.

But we won't consider information used to identify or record customers or supporters, such as a list of customers or supporters, to be an advertising idea.

*Advertising material* means any material that:

- is subject to copyright law; and
- others use and intend to attract attention in their advertising.

*Slogan* means a phrase that others use and intend to attract attention in their advertising.

But we won't consider slogan to include a phrase used as, or in, the name of:

- any person or organization, other than you; or
- any business, or any of the premises, products, services, work, or completed work, of any person or organization, other than you.

*Title* means a name of a literary or artistic work.

**Insurance.** We won't cover loss that results from the failure to obtain or maintain any type or amount of insurance.

*Insurance* includes any type of bond or self-insurance program.

**Investments.** We won't cover loss that results from the purchase, sale, issuance, or distribution, or offer to purchase or sell, any debt or equity securities, or other investments.

**Known wrongful acts.** We won't cover loss that results from any wrongful act, including

any part of related wrongful acts, which any protected person:

- knew about before the beginning date of this agreement; and
- could reasonably foresee would result in a claim being made or brought while this agreement is in effect.

**Law enforcement duties.** We won't cover loss that results from the conduct of law enforcement duties.

*Law enforcement duties* means any of the duties or obligations that must be performed or fulfilled by or for your law enforcement agency. They include the following:

- Ownership, maintenance, or use of a premises that you own, rent, or lease in order to perform or fulfill such duties or obligations.
- Providing first aid at the time of an accident or crime.

*Your law enforcement agency* means a police or sheriff's department that:

- is considered to be part of you; or
- is your legal responsibility.

**Multiplied damages.** We won't cover that portion of any multiplied damage award which exceeds the amount multiplied.

**Nuclear material.** We won't cover loss that results from the hazardous properties of any nuclear material.

*Hazardous properties* include radioactive, toxic, or explosive properties.

*Nuclear material* means any nuclear material defined in the Federal Atomic Energy Act, or any of its amendments.

**Pollution.** We won't cover loss that results from pollution.

We also won't cover any loss, cost, or expense that results from:

- any request, demand, order, or statutory or regulatory requirement that any protected person or others perform pollution work; or
- any claim by or for any governmental authority for damages that result from the performance of pollution work.

**Pollution** means any actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of any pollutant.

**Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

**Waste** includes materials to be recycled, reconditioned, or reclaimed.

**Pollution work** means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing of any pollutant; or
- the responding to, or assessing, in any way the effects of any pollutant.

**Public use of property.** We won't cover loss that results from:

- any method or proceeding used in the taking or controlling of private property for public use; or
- the diminution in value, or inverse condemnation, of property that's caused by the taking or controlling of private property for public use.

**Method or proceeding** includes condemnation, adverse possession, and dedication by adverse use.

**Strikes, riots, demonstrations, or civil commotions.** We won't cover loss that results from any strike, riot, protest, demonstration, lock-out, or civil commotion.

**Taxes.** We won't cover loss that results from the improper administration or collection of taxes, or loss that reflects any tax obligation.

**Unlawful personal gains.** We won't cover loss that results from any protected person's personal profit, advantage, or compensation to which that protected person is not legally entitled.

### **Workers compensation and other benefits laws.**

We won't cover any obligation that the protected person has under any:

- workers compensation law;
- disability benefits law;
- unemployment compensation law; or
- pension, retirement, or other benefits law.

### **Other Insurance**

This agreement is primary insurance. If there is any valid and collectible other insurance for loss covered by this agreement, we'll pay the portion of the damages which:

- exceeds the deductible; and
- equals our percentage of the total of all limits that apply.

But we won't pay more than the limits of coverage that apply under this agreement. For example:

*The limit of coverage under this agreement is \$100,000. Another insurance policy with a limit of \$25,000 also covers loss covered by this agreement. We won't pay more than 80% (\$100,000/\$125,000) of the loss, less the deductible.*

**Other insurance** means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self insurance method or program; or
- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance or excess insurance that you bought specifically to apply in excess of the limits of coverage for this agreement to be other insurance.



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**OUR RIGHT TO SETTLE CLAIMS WITHOUT YOUR WRITTEN CONSENT  
ENDORSEMENT - PUBLIC ENTITY MANAGEMENT LIABILITY**

**The St Paul**

This endorsement changes your Public Entity Management Liability Protection - Claims-Made.

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**How Coverage Is Changed**

**Other Terms**

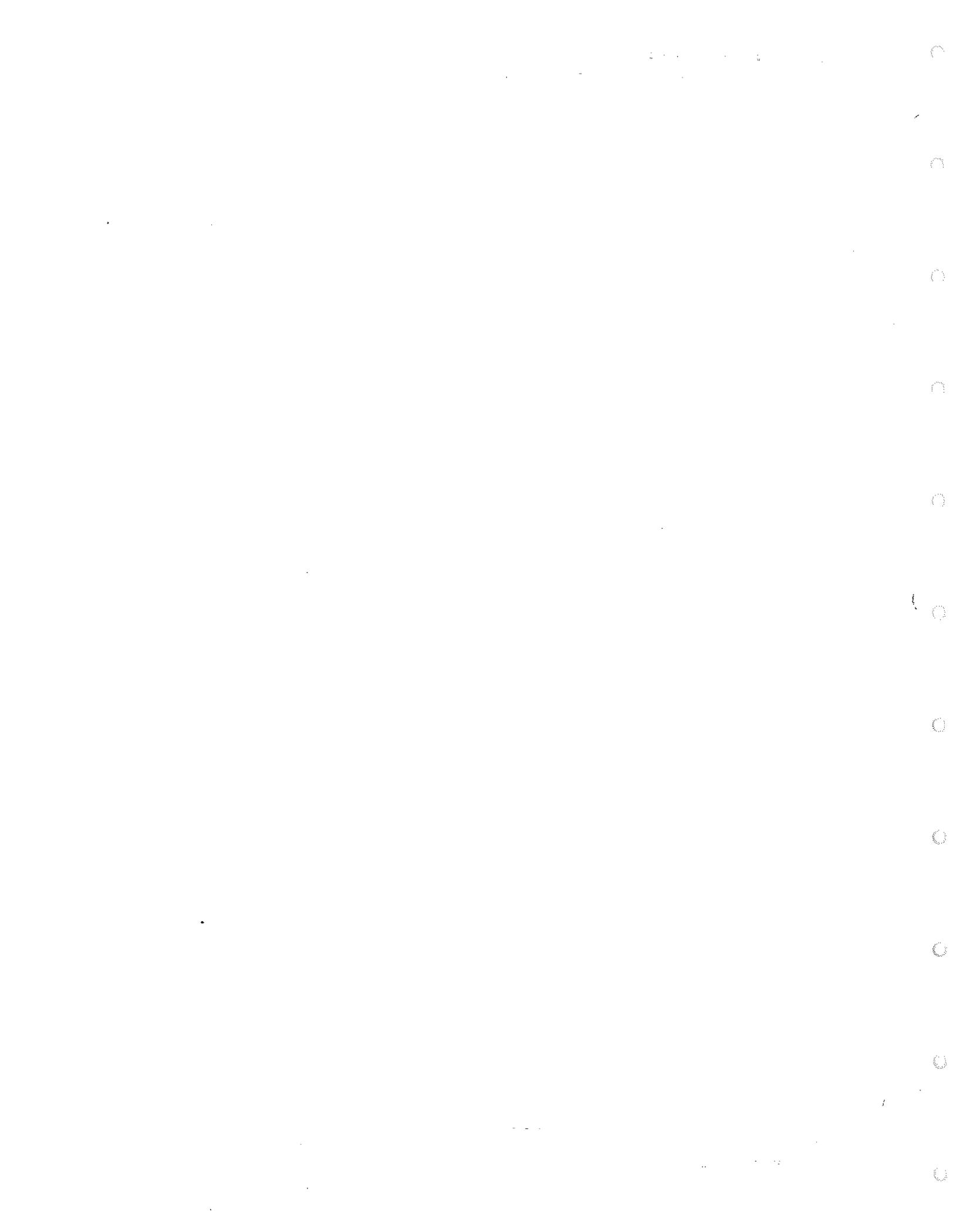
The following replaces the fourth paragraph in the Right and duty to defend a claim section. This change gives us the right to settle any claim within the deductible or limits of coverage.

All other terms of your policy remain the same.

We'll also have the right to settle any claim within:

- any applicable deductible; or
- the available limits of coverage that apply.





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# AUTO COVERAGE SUMMARY

The **St Paul**

This Coverage Summary shows the Limits of Coverage that apply to your Commercial Auto Protection. A blank section or space indicates no coverage.

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## Auto Liability Protection

### Covered Autos:

- Any Auto                       Owned Commercial autos                       Owned Private Passenger autos
- Scheduled autos                       Hired autos                       Non owned autos
- Other:

### Limit of Coverage:

\$1,000,000                      each accident

Other:

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## Auto Medical Payments Protection

### Covered Autos:

- Any auto                       Owned Commercial autos                       Owned Private Passenger autos
- Scheduled autos
- Other:

Limits of Coverage (Refer to the Auto Schedule)

Other:

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<b>Name of Insured</b>	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
CITY OF WILLIAMSTOWN		<b>Processing Date</b> 10/12/04 09:27 001

**Auto Physical Damage Protection**

**Covered Autos**

- Scheduled autos
- Owned Private Passenger autos
- Owned Commercial autos
- Hired autos
- Other:

**Limits of Coverage**

*(Refer to the Auto Schedule)*

**Other:**

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**AUTO COVERAGE SUMMARY - CONTINUED**

The **St Paul**

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**Auto No Fault Protection**

**Covered Autos:**  Owned Autos that are subject to State No-Fault Laws

**Limits of Coverage:** See your Agreement and any Optional Coverage Summary.  
**Other:**

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**Other Coverage**

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**Auto Uninsured Motorists Protection**

**Autos Covered:**  
ANY OWNED AUTO

**Uninsured Limits of Coverage:**  
FOR THE STATE OF WV  
\$1,000,000 PER ACCIDENT

**Underinsured Limits of Coverage:**  
FOR THE STATE OF WV  
\$1,000,000 PER ACCIDENT



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**Name of Insured**  
CITY OF WILLIAMSTOWN

**Policy Number** GP09313204

**Effective Date**

**Processing Date** 10/12/04 09:27 001

**Uninsured Limits of Coverage:**

**Underinsured Limits of Coverage:**

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 \* 3 B 0 0 2 GP09313204 5983

**AUTO SCHEDULE**



The types of coverage provided for each auto are indicated by completed spaces. A blank space indicates no coverage.

Auto Year Make	Type	VIN/Serial	Location
0001 1998 HME	FIRE TRK	44KT4287WWZ118856	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0002 1992 INT'L	FIRE TRK	1HTSDPBR8NH411272	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0003 1996 FORD	FIRE TRK	1FDLF47F6TEA70845	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

<b>Name of Insured</b> CITY OF WILLIAMSTOWN	<b>Policy Number</b> GP09313204	<b>Effective Date</b> Processing Date 10/12/04 09:27 001
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Auto Year Make	Type	VIN/Serial	Location
0004 1986 CHEV	FIRE TRK PU	1GCGD34J3GF330116	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0005 1997 FORD	CROWN VICT	2FALP71W2VX171917	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0006 1995 FORD	CROWN VICT	2FALP71W6SX161905	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

000 D559  
 CC:  
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 \* 3 B 0 0 2 GP09313204 5985

**AUTO SCHEDULE**

The **St Paul**

The types of coverage provided for each auto are indicated by completed spaces. A blank space indicates no coverage.

Auto Year Make	Type	VIN/Serial	Location	ACV or Stated Amount	Deductible
0007 1999 FORD	CROWN VICT	2FALP71W2XX186014	WILLIAMSTOWN WV		
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>			\$250
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>			\$500
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>			
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing			Maximum	
Med Pay \$5000					

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location	ACV or Stated Amount	Deductible
0008 1997 CHEV	LUMINA	2G1WL52M9V9285530	WILLIAMSTOWN WV		
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>			\$250
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>			\$500
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>			
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing			Maximum	
Med Pay \$5000					

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location	ACV or Stated Amount	Deductible
0009 1991 CHEV	CAPRICE	1G1BL5370MW234429	WILLIAMSTOWN WV		
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>			\$250
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>			\$500
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>			
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing			Maximum	
Med Pay \$5000					

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

<b>Name of Insured</b>	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
CITY OF WILLIAMSTOWN	<b>Processing Date</b> 10/12/04 09:27	001

Auto Year Make	Type	VIN/Serial	Location
0010 2004 DODGE	INTREPID	2B3HD46V04H628077	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0011 2004 DODGE	INTREPID	2B3HD46V94H628076	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0012 1985 CHEV	3/4T PU	1GCEC24H6FF324648	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)



Auto Year Make	Type	VIN/Serial	Location
0016 1982 FORD 1 1/2	BUCKET TRUCK	1FDMF60H6CVA44824	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0017 1999 GMC	1/2T PU	1GDGC24R8XF031087	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0018 1994 JEEP	CHEROKEE	1J4FJ28S0RL170647	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

CC: 000 D559

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\* M: 00 I: 000 T: 001

\* 3 B O O 2 GP09313204 5989

**AUTO SCHEDULE**

The **St Paul**

The types of coverage provided for each auto are indicated by completed spaces. A blank space indicates no coverage.

Auto Year Make	Type	VIN/Serial	Location
0019 1996 FORD	F150 PU	1FTEF15N5TLA45131	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing	<input type="checkbox"/>	Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
0020 2004 PIERCE	PUMPER	4P1CT02A74A004189	WILLIAMSTOWN WV
<input checked="" type="checkbox"/> Liability *	<input checked="" type="checkbox"/> Comprehensive	<input checked="" type="checkbox"/>	ACV or Stated Amount Deductible
<input checked="" type="checkbox"/> Uninsured Motorists*	<input checked="" type="checkbox"/> Collision	<input checked="" type="checkbox"/>	\$250
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	\$500
<input checked="" type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing	<input type="checkbox"/>	Maximum
Med Pay \$5000			

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
<input type="checkbox"/> Liability *	<input type="checkbox"/> Comprehensive	<input type="checkbox"/>	ACV or Stated Amount Deductible
<input type="checkbox"/> Uninsured Motorists*	<input type="checkbox"/> Collision	<input type="checkbox"/>	
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss	<input type="checkbox"/>	
<input type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing	<input type="checkbox"/>	Maximum

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

<b>Name of Insured</b>	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
CITY OF WILLIAMSTOWN	<b>Processing Date</b> 10/12/04	09:27 001

Auto Year Make	Type	VIN/Serial	Location
<input type="checkbox"/> Liability *	<input type="checkbox"/> Comprehensive		ACV or Stated Amount Deductible
<input type="checkbox"/> Uninsured Motorists*	<input type="checkbox"/> Collision		<input type="checkbox"/>
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss		<input type="checkbox"/>
<input type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
<input type="checkbox"/> Liability *	<input type="checkbox"/> Comprehensive		ACV or Stated Amount Deductible
<input type="checkbox"/> Uninsured Motorists*	<input type="checkbox"/> Collision		<input type="checkbox"/>
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss		<input type="checkbox"/>
<input type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

Auto Year Make	Type	VIN/Serial	Location
<input type="checkbox"/> Liability *	<input type="checkbox"/> Comprehensive		ACV or Stated Amount Deductible
<input type="checkbox"/> Uninsured Motorists*	<input type="checkbox"/> Collision		<input type="checkbox"/>
<input type="checkbox"/> No-Fault*	<input type="checkbox"/> Specified Causes of Loss		<input type="checkbox"/>
<input type="checkbox"/> Medical Payments	<input type="checkbox"/> Towing		Maximum

**Who We'll Pay For Physical Damage Loss. You and:**

(\*Note: Refer to the Auto Coverage Summary for the Limit of Coverage.)

\* 3 B 0 0 2 GP09313204 599 1 \* M: 00 I: 000 T: 001 JC: 000 D559



**AUTO LIABILITY PROTECTION**

This insuring agreement provides auto liability protection for your business. There are, of course, limitations and exclusions which apply to that protection. As a result, this agreement should be read carefully to determine the extent of the coverage provided to you and other protected persons.

The terms of this agreement apply to each state unless a state's Commercial Auto Required Endorsement indicates otherwise.

<b>Table of Contents</b>	<b>Page</b>	<b>Other Insurance</b>	<b>9</b>
<b>What This Agreement Covers</b>	<b>1</b>	Insurance provided by another insurer.	9
Bodily injury and property damage liability.	1	Insurance provided under another policy with us or any of our member insurance companies.	10
Pollution cost or expense.	1		
Right and duty to defend.	2		
Additional payments.	3		
Right to appeal.	3		
Out of state coverage.	3		
<b>Which Autos Are Covered</b>	<b>4</b>	<b>What This Agreement Covers</b>	
Any auto	4	<b>Bodily injury and property damage liability.</b> We'll pay amounts any protected person is legally required to pay as damages for covered bodily injury or property damage that:	
Owned commercial autos	4	•results from the ownership, maintenance, use, loading or unloading of a covered auto; and	
Owned private passenger autos	4	•is caused by an accident that happens while this agreement is in effect.	
Scheduled autos	4		
Hired autos	4	<b>Pollution cost or expense.</b> We'll pay amounts any protected person is legally required to pay as covered pollution cost or expense only if it results from an accident which also causes bodily injury or property damage covered by this agreement.	
Nonowned autos	4		
<b>When This Agreement Covers</b>	<b>4</b>	<b>Protected person</b> means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.	
<b>Where This Agreement Covers</b>	<b>4</b>		
<b>Who Is Protected Under This Agreement</b>	<b>5</b>	<b>Bodily injury</b> means any physical harm, including sickness or disease, to the physical health of other persons. It includes any of the following that results at any time from such physical harm, sickness or disease:	
Individual.	5	•Mental anguish, injury or illness.	
Partnership or joint venture.	5	•Emotional distress.	
Corporation or other organization.	5	•Care, loss of services, or death.	
Any permitted user.	5	<b>Property damage</b> means	
Anyone legally responsible for the actions of a protected person.	5	•physical damage to tangible property of others, including loss of use of such property; or	
Separation of protected persons.	5	•loss of use of tangible property of others that isn't physically damaged.	
<b>Limit Of Coverage</b>	<b>5</b>		
<b>Exclusions - What This Agreement Won't Cover</b>	<b>6</b>		
Contract liability.	6		
Control of property.	6		
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Injury to a fellow employee.	7		
Intentional or expected bodily injury or property damage.	7		
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Pollution.	8		
Racing or demolition contest.	9		
Specialized equipment.	9		
Workers' compensation.	9		



We'll consider all loss of use of tangible property to happen at the time of the accident which caused it.

**Accident** includes continuous or repeated exposure to the same conditions.

**Covered auto** means the type or types of autos shown in the Coverage Summary and described in the Which Autos Are Covered section.

**Auto** means any land motor vehicle, trailer or semi-trailer designed for travel on public streets or roads. It includes:

- any permanently attached machinery or equipment; and
- any mobile equipment only while it's being carried or towed by a covered auto.

**Mobile equipment** means any land vehicle that:

- is designed for use primarily off public streets or roads;
- is kept for use only on or next to premises you own, rent or lease;
- travels on crawler treads;
- is kept primarily for the ready movement of permanently attached construction equipment; or
- doesn't travel under its own power and is kept primarily for the ready movement of permanently attached specialized equipment.

Mobile equipment includes any land vehicle not described above that's kept primarily for purposes other than carrying people or cargo. But we won't consider such a vehicle to be mobile equipment if it:

- travels under its own power;
- is operated like an auto during travel on a public street or road; and
- has permanently attached specialized equipment; or
- has permanently attached equipment designed for snow removal, street cleaning, or street or road maintenance - but not construction or resurfacing.

**Construction equipment** includes any grader, scraper, roller and power crane, shovel, loader, digger, or drill.

**Specialized equipment** means any:

- cherry picker or similar device used to lift workers;
- pump, generator or air compressor; or
- other equipment, such as building cleaning, geophysical exploration, lighting, spraying, welding or well-servicing equipment, that has a built-in pump, generator or air compressor.

**Loading** means moving property from the place where it's accepted for transportation by a protected person until it's placed in or on a covered auto.

**Unloading** means moving property from a covered auto to the place where it's finally delivered by a protected person.

However we won't consider moving property with a mechanical device, such as a forklift or conveyor, that's not attached to a covered auto to be loading or unloading. But we won't consider a hand truck to be a mechanical device.

**Pollution cost or expense** means any cost or expense that results from:

- any request, demand or order that any protected person or others perform pollution work; or
- any claim or suit by or for any governmental authority demanding that any protected person or others perform pollution work.

**Pollution work** means:

- the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing of any pollutant; or
- the responding to, or assessing, in any way the effects of any pollutant.

**Right and duty to defend.** We'll have the right and duty to defend any claim or suit for covered bodily injury, property damage, or pollution cost or expense made or brought against any protected person.

We'll do so even if any of the allegations of any such claim or suit are groundless, false or fraudulent. But we have no duty to perform other acts or services. And our duty to defend claims or suits ends when we have used up the limit of coverage that applies with the payment of judgments, settlements, or pollution cost or expense.

We'll have the right to investigate any claim or suit to the extent that we believe is proper. We'll also have the right to settle any claim or suit within the available limits of coverage.

**Claim** means a demand which seeks damages or pollution cost or expense.

**Suit** means a civil proceeding which seeks damages or pollution cost or expense. It includes:

- an arbitration proceeding for such damages to which the protected person must submit or submits with our consent.
- any other alternative dispute resolution proceeding for such damages to which the protected person submits with our consent.

**Additional payments.** We'll have the duty to make only the payments shown below in connection with any claim or suit we defend. These payments are in addition to the limit of coverage. But our duty to make such payments ends when we have used up the limit of coverage that applies with the payment of judgments, settlements, or pollution cost or expense.

**Our expenses.** We'll pay all expenses we incur.

**Bail bonds.** We'll pay up to \$250 of the cost of bail bonds that are required because of accidents or violations of traffic laws. But only if the accidents or violations result from the use of a vehicle to which the bodily injury liability coverage under this agreement applies. We don't have to furnish such bonds.

**Bonds to release property.** We'll pay the cost of bonds to release property that's being used to secure a legal obligation. But only for bond amounts within the limit of coverage that applies. We don't have to furnish such bonds.

**Expenses incurred by protected persons.** We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or defend a claim or suit. But we won't pay more than \$250 per day for earnings actually lost by the protected person because of time taken off from work.

**Taxed costs.** We'll pay all costs taxed against any protected person in a suit.

**Pre-judgment interest.** We'll pay the pre-judgment interest that's awarded against the protected person on that part of a judgment paid by us. But if we make a settlement offer to pay the available limit of coverage, we won't pay the pre-judgment interest that accumulates after the date of our offer.

**Post-judgment interest.** We'll pay all interest that accumulates on the full amount of that part of a judgment for which we make a payment. But only from the date of the judgment to the date we:

- pay;
  - offer to pay; or
  - deposit in court;
- the limit of coverage that applies to the judgment.

**Right to appeal.** We'll have the right to appeal a judgment for covered bodily injury, property damage, or pollution cost or expense in any suit we defend.

If we appeal such a judgment, we'll pay all expenses which result directly from that appeal, including the cost of appeal bonds and post-judgment interest. Such appeal expenses are in addition to the limit of coverage. However, the results of an appeal won't change the limit of coverage that applies under this agreement.

**Out of state coverage.** While a covered auto is away from the jurisdiction where it is licensed we will do the following:

- Increase the limit of coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered auto is being used if your limit of coverage is less than the minimum limit required by such law. But this increase does not apply to the limit or limits specified by any law or regulation governing motor carriers of passengers or property.
- Provide the minimum amounts and types of other coverages, such as no-fault, required of out of state vehicles by the jurisdiction where the covered auto is being used. But we won't pay more than once for the same damages which are covered because of this extension of coverage.

## Which Autos Are Covered

The Coverage Summary shows and the information in this section describes the type or types of autos which are covered autos.

**Any auto** means any owned, rented, leased or borrowed auto. It includes hired, nonowned, newly acquired, replacement and temporary substitute autos.

**Owned commercial autos** means any auto you own that isn't of the private passenger type. It includes any trailer or semi-trailer while attached to that auto. It also includes:

- newly acquired autos of the same type;
- replacement autos of the same type; and
- temporary substitute autos.

**Owned private passenger autos** means any auto you own that's of the private passenger type. It includes any trailer while attached to that auto. It also includes:

- newly acquired autos of the same type;
- replacement autos of the same type; and
- temporary substitute autos.

**Scheduled autos** means any auto you own that's described in the Auto Schedule. It includes any nonowned trailer while attached to a scheduled auto. It also includes:

- newly acquired autos, but only if we cover all of your owned autos and you tell us within 30 days after you acquire such autos that you want us to cover them;
- replacement autos if you tell us within 30 days after you acquire such autos that you want us to cover them; and
- temporary substitute autos.

**Hired autos** means any auto that you hire, rent, lease or borrow from others, other than your employees or members of their households. We'll consider any auto that you lease for a period of 6 months or more to be an auto that you own.

**Nonowned autos** means any auto that:

- you don't own, hire, rent, lease or borrow; and
- is used in the conduct of your business.

It includes autos owned by your employees or partners or members of their households. But only while such autos are being used in the conduct of your business.

**Newly acquired autos** means any additional auto that you acquire while this agreement is in effect. We'll provide the same limit of coverage, and deductible, if any, to such autos as you have on similar types of autos, unless you tell us differently.

**Replacement autos** means any auto that replaces a covered auto. We'll provide the same limit of coverage, and deductible, if any, to such autos as you have for the covered auto being replaced, unless you tell us differently.

**Temporary substitute autos** means any auto not owned by you while it's being used, with permission of its owner, as a temporary substitute for a covered auto you own which can't be used because it:

- has broken down;
- has been damaged, destroyed or stolen; or
- is being repaired or serviced.

**Private passenger type** means ordinary private passenger cars, station wagons, pickups and vans.

## When This Agreement Covers

We'll apply this agreement to claims or suits for covered bodily injury, property damage or pollution cost or expense whenever they're made or brought.

## Where This Agreement Covers

We'll defend claims and suits, and pay judgments, settlements, and pollution cost or expense only in the coverage territory for covered bodily injury, property damage, or pollution cost or expense that's caused by accidents which happen in the coverage territory.

**Coverage territory** means the United States of America, its territories and possessions, Puerto Rico and Canada. It includes international waters or airspace while a covered auto is being transported between any of the above places.

## Who Is Protected Under This Agreement

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**Individual.** If you are named in the Introduction as an individual, you and your spouse are protected persons for the use of a covered auto.

**Partnership or joint venture.** If you are named in the Introduction as a partnership or joint venture, you are a protected person for the use of a covered auto. Also, your partners or co-venturers and their spouses are protected persons. But only for the use of a covered auto.

However, no person or organization is a protected person for the conduct of any current or past partnership or joint venture that's not named in the Introduction.

**Corporation or other organization.** If you are named in the Introduction as a corporation or other organization, you are a protected person for the use of a covered auto. Also, your executive officers and directors are protected persons. But only for the use of a covered auto. Also, your stockholders are protected persons, but only for their liability as your stockholders.

**Any permitted user.** Any person or organization to whom you've given permission to use a covered auto you own, rent, lease, hire or borrow is a protected person.

However, we won't consider the following to be a protected person:

- The owner or anyone else from whom you rent, lease, hire or borrow a covered auto unless that auto is a trailer that's connected to a covered auto you own.
- An employee of yours or a member of an employee's household if the covered auto is owned by that employee or member of that employee's household.
- Anyone using a covered auto while working in the business of selling, servicing, repairing, storing or parking autos, unless the business is yours.
- Anyone other than your employees, partners, lessee or borrower or any of their employees while loading or unloading a covered auto.

**Anyone legally responsible for the actions of a protected person.** Any person or organization who is legally responsible for the actions of a protected person described above is also a protected person for the use of a covered auto. For example:

*An employee who works for another company borrows a covered auto from you. That person causes an accident which results in covered bodily injury and property damage. We'll consider you, that employee, and the other company that employs the other person to be protected persons.*

But we won't consider the owner or anyone else from whom you rent, lease, hire or borrow a covered auto to be a protected person unless it's a trailer that's connected to a covered auto you own.

**Separation of protected persons.** We'll apply this agreement:

- to each protected person named in the Introduction as if that protected person was the only one named there; and
- separately to each other protected person.

However, the limit of coverage shown in the Coverage Summary is shared by all protected persons. We explain how in the Limits Of Coverage section. Also, any right or duty specifically assigned to the first Named Insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

## Limit Of Coverage

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The Coverage Summary shows the limit of coverage that applies to this agreement.

The Each accident limit is the most we'll pay for the combined total of all covered bodily injury, property damage and pollution cost or expense that results from any one accident. This limit applies regardless of the premiums paid or number of:

- protected persons;
- premiums paid;
- claims made or suits brought;



- covered autos;
- vehicles involved in the accident; or
- persons or organizations making claims or bringing suits.

We consider all covered bodily injury, property damage and pollution cost or expense that results from continuous or repeated exposure to substantially the same conditions to be the result of one accident.

### **Exclusions – What This Agreement Won't Cover**

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**Contract liability.** We won't cover the protected person's liability for bodily injury or property damage assumed under any contract or agreement.

However, we won't apply this exclusion to liability for bodily injury or property damage the protected person would have without the contract or agreement. Nor will we apply this exclusion to the protected person's liability for bodily injury or property damage assumed under a covered contract made before the bodily injury or property damage happens.

**Covered contract** means any:

- lease of premises;
- sidetrack agreement;
- easement or license agreement;
- obligation to indemnify a municipality if the obligation is required by ordinance and isn't connected with work for the municipality;
- contract or agreement under which you assume the tort liability of a municipality to pay damages for covered bodily injury or property damage that is sustained by others and results from work for the municipality;
- other contract or agreement under which you assume the tort liability of another to pay damages for covered bodily injury or property damage that's sustained by others; or
- contract or agreement which you or any of your employees enter into for the rental or lease of any auto.

**Tort liability** means a liability that would be imposed by law without any contract or agreement.

But we won't consider the following parts of any contract or agreement to be a covered contract:

**Auto with driver.** That part which has to do with the rental, lease or loan of an auto to you or any of your employees if the auto is rented, leased or loaned with a driver.

**Use of a motor carrier's permit.** That part which indemnifies any person or organization in the business of transporting people or property by an auto for hire for your use of a covered auto over a route or in a territory the person or organization is authorized by a public authority to use or serve.

**Damage to rented or leased auto.** That part which obligates you or any of your employees to pay for property damage to any auto rented or leased by you or any of your employees.

**War.** That part which indemnifies any person or organization for bodily injury or property damage caused by:

- declared or undeclared war, or invasion;
- warlike action by a military force or other agents of any government, sovereign or other authority;
- civil war, insurrection, rebellion, revolution or seizure of power; or
- anything done to hinder or defend against these actions.

**Control of property.** We won't cover property damage to property owned by, transported by or in the care, custody or control of a protected person.

But we won't apply this exclusion to liability for property damage assumed under a sidetrack agreement.

**Employer's liability.** We won't cover bodily injury to an employee arising out of his or her employment by a protected person. Nor will we cover bodily injury to the spouse, child, parent, brother, or sister of that employee which results from the bodily injury to the employee.

We'll apply this exclusion whether the protected person may be held liable as an employer or in any other capacity.

We'll also apply this exclusion to any obligation of the protected person to share damages with or repay someone else who must pay damages because of bodily injury to any employee of the protected person.

But we won't apply this exclusion to:

- bodily injury to domestic employees not entitled to workers compensation benefits; or
- liability for bodily injury assumed under a covered contract.

We explain what we mean by covered contract in the Contract liability exclusion.

**Injury to a fellow employee.** We won't cover bodily injury to a fellow employee of any protected person arising out of and in the course of the fellow employee's employment by you.

**Intentional or expected bodily injury or property damage.** We won't cover bodily injury or property damage that's expected or intended by the protected person.

**Nuclear energy liability.** We won't cover bodily injury or property damage for which any protected person:

- is covered by a nuclear energy liability insurance policy; or
- would have been covered by such policy if that policy's limits of coverage hadn't been used up.

Nor will we cover bodily injury or property damage that results from the hazardous properties of nuclear material and for which:

- any person or organization is required by law to maintain financial protection in accordance with the federal Atomic Energy Act, or any of its amendments; or
- any protected person is entitled, or would have been entitled had this agreement not been issued, to indemnity from the United States government, or any of its agencies, under any contract or agreement between the government, or any of its agencies, and any person or organization.

And we won't cover bodily injury or property damage that results from the hazardous properties of nuclear material when:

- the nuclear material is located at, or at any time discharges or disperses from, any nuclear

facility owned by any protected person, or operated by or for any protected person;

- the nuclear material is contained in spent nuclear fuel or nuclear waste that is at any time possessed, handled, used, processed, stored, transported or disposed by or for any protected person; or
- the bodily injury or property damage results from the furnishing by any protected person of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility. But we'll apply this exclusion part only to property damage to the nuclear facility, and any property located on the site of that facility, if the nuclear facility is in the United States of America, its territories or possessions, Puerto Rico, or Canada.

**Nuclear energy liability insurance policy** means any nuclear energy liability insurance policy issued by:

- Nuclear Energy Liability Insurance Association;
- Mutual Atomic Energy Liability Underwriters;
- Nuclear Insurance Association of Canada; or
- any of their successors.

**Property damage** includes all forms of radioactive contamination of property.

**Hazardous properties** include radioactive, toxic or explosive properties.

**Nuclear material** means any of the following materials which are defined in the federal Atomic Energy Act, or any of its amendments:

- Source material.
- Special nuclear material.
- By-product material.

**Nuclear facility** means any:

- nuclear reactor;
- uranium isotopes separation device or equipment;
- special nuclear material device or equipment; or
- nuclear waste site.

Nuclear facility includes:

- the site on which it's located;
- all operations conducted on such site; and
- all premises used for such operations.

**Nuclear reactor** means any device, equipment or machine that's designed or used to:

- sustain nuclear fission in a self-supporting chain reaction; or
- contain a critical mass of fissionable material.

**Uranium isotopes separation device or equipment** means any device or equipment designed or used for:

- separating the isotopes of uranium or plutonium;
- processing or utilizing spent nuclear fuel; or
- handling, processing or packaging nuclear waste.

**Special nuclear material device or equipment** means any device or equipment used for the processing, fabricating or alloying of special nuclear material if the total amount of such material:

- is more than 25 grams of plutonium or uranium 233, or any combination of the two, or 250 grams of uranium 235; and
- is at any time in the custody of any protected person at the premises where the device or equipment is located.

**Nuclear waste site** means any structure, basin, excavation, premises or place prepared or used for the storage or disposal of nuclear waste.

**Nuclear waste** means any waste material that:

- contains by-product material; and
- results from the operation of any nuclear reactor or uranium isotopes separation device or equipment by any person or organization.

But we won't consider nuclear waste to include tailings or wastes that result from the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.

**Spent nuclear fuel** means any solid or liquid fuel element or component that has been exposed to radiation or used in a nuclear reactor.

**Pollution.** We won't cover bodily injury or property damage that results from pollution involving any pollutant, or any pollutant contained in any property, that's:

- being transported or towed by a covered auto;
- being loaded onto or unloaded from a covered auto;
- otherwise in the course of transit by or for any protected person; or
- being stored, disposed of, treated or processed in or on a covered auto.

For example:

*A covered auto carrying a cargo of chemicals skids off of a road and overturns. Several of the containers of chemicals are damaged during the accident and their contents leak out. Fumes from the spilled chemicals injure a motorist who stopped to help the truck driver. And a fire begins in a pool formed by the spilled chemicals and spreads to a nearby building, damaging its exterior. We won't cover any such bodily injury or property damage.*

However, we won't apply this exclusion to bodily injury or property damage that results from pollution caused by fuels, lubricants, fluids, exhaust gases or similar pollutants that:

- are needed for or result from the normal electrical, hydraulic or mechanical functioning of a covered auto, other than the operation of specialized equipment; and
- escape, seep or migrate, or are discharged, dispersed or released, directly from a part of the covered auto designed by it's manufacturer to hold, store, receive or dispose of such pollutants.

For example:

*One of your covered autos is a truck with a hydraulic system that leaks. We won't apply this exclusion to the bodily injury or property damage that may result from such pollution.*

Another example:

*One of your covered autos is a tow truck. It is involved in an accident with another vehicle. Your tow truck's gas tank is ruptured and leaks. We won't apply this exclusion to the bodily injury or property damage that may result from such pollution.*

Another example:

*While being pulled by a covered auto, your compressor leaks gas. We won't apply this exclusion to the bodily injury or property damage that may result from such pollution. However, if the gas leakage occurred during the operation of the compressor, the resulting damage would not be covered because it results from the operation of specialized equipment.*

Nor will we apply this exclusion to bodily injury or property damage that results from pollution from property of others which:

- isn't in your care, custody or control;
- isn't being transported or towed by or for you; and
- is damaged by an accident due to the ownership, maintenance or use of a covered auto.

For example:

*A covered auto skids off of a road and hits a fuel storage tank owned by others. Several hundred gallons of fuel leak out and then explode into flames. The fire destroys a nearby building and injures two bystanders. We won't apply this exclusion to the bodily injury and property damage that results from such pollution.*

**Pollution** means the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any pollutant.

**Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including:

- smoke, vapors, soot, fumes;
- acids, alkalis, chemicals; and
- waste.

**Waste** includes materials to be recycled, reconditioned or reclaimed.

We explain what we mean by specialized equipment in the What This Agreement Covers section.

**Racing or demolition contest.** We won't cover bodily injury, property damage or pollution cost or expense that results from the use of a covered auto in any organized racing or demolition contest or stunting activity. This exclusion also applies to any practice or preparation for such contest or activity.

**Specialized equipment.** We won't cover bodily injury or property damage that results from the operation or use of any specialized equipment.

However, we won't apply this exclusion to bodily injury or property damage that results from specialized equipment while being carried or towed by a covered auto.

We explain what we mean by specialized equipment in the What This Agreement Covers section.

**Workers' compensation.** We won't cover any obligation that the protected person has under a workers' compensation, disability benefits or unemployment compensation law, or any similar law.

### Other Insurance

This agreement is primary insurance for covered autos you own and excess insurance for those you don't own.

However, when a covered trailer is connected to a covered auto, this agreement applies to the trailer in the same way as the covered auto. For example, if a trailer you own is connected to a covered auto you don't own, this agreement will be excess insurance for the trailer. If a trailer you don't own is connected to a covered auto you own, this agreement is primary insurance for the trailer.

Excess insurance applies after other collectible insurance has been used up.

This agreement is primary insurance for liability for covered bodily injury or property damage assumed under a covered contract.

We explain what we mean by covered contract in the Contract liability exclusion.

**Insurance provided by another insurer.** When insurance provided by another insurer applies to covered bodily injury or property damage that results from an accident on the same primary or excess basis as this agreement, we'll pay only our share of your accident. We'll pay the same proportion of such damages or pollution cost or

expense that our limit is to the total of all applicable policy limits. But we won't pay more than our limit.

**Insurance provided under another policy with us or any of our member insurance companies.**

When this agreement and other insurance contained in a policy from us or another member insurance company of The St. Paul

Group both apply to the same accident, the most we will pay is the highest limit of coverage that applies under any one policy. When the other insurance written by us or the member insurance company is intended to be excess over this agreement, this section does not apply.

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**PUBLIC SECTOR SERVICES  
VOLUNTEER OR EMPLOYEE FIREFIGHTERS  
AS PROTECTED PERSONS ENDORSEMENT**

This endorsement changes your Auto Liability Protection.

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**How Coverage Is Changed**

The following is added to the Who Is Protected Under This Agreement section. This change broadens coverage.

**Your employees or volunteers while performing their duties as firefighters.** Your employees and volunteers are protected persons while they are:

- using covered autos you don't own, hire, or borrow;
- responding to or returning directly from the site of a fire department emergency; and
- acting on your behalf in the course of their firefighters' duties.

**Other Terms**

All other terms of your policy remain the same.





PUBLIC SECTOR SERVICES  
PUBLIC ENTITY AUTO LIABILITY ENDORSEMENT

The St Paul

This endorsement changes your Auto Liability Protection.

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**How Coverage Is Changed**

There are nine changes which are explained below.

1. The following replaces the Bail bonds section. This change broadens coverage.

**Bail bonds.** We'll pay up to \$2,500 of the cost of bail bonds that are required because of accidents or violations of traffic laws. But only if the accidents or violations result from the use of a vehicle to which the bodily injury liability coverage under this agreement applies. We don't have to furnish such bonds.

2. The following replaces the Expenses incurred by protected persons section. This change broadens coverage.

**Expenses incurred by protected persons.** We'll pay all reasonable expenses that any protected person incurs at our request while helping us investigate or defend a claim or suit. But we won't pay more than \$500 per day for earnings actually lost by the protected person because of time taken off from work.

3. The following replaces the Corporation or other organization section. This change replaces corporation with public entity.

**Public entity or other organization.** If you are named in the Introduction as a public entity or other organization, you are a protected person for the use of a covered auto.

**Other organization** includes a corporation, joint power authority, limited liability company, or tribal government.

If you are named in the declarations as a corporation, your stockholders are protected persons, but only for their liability as your stockholders.

4. The following definitions are added to the Any permitted user section.

**Employee** includes a leased worker, other than a leased temporary worker.

**Leased worker** means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's business.

**Volunteer worker** means any person other than:

- an employee; or
- a leased temporary worker.

**Employee leasing firm** means any person or organization who hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

**Leased temporary worker** means a leased worker who is hired to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions.

5. The following is added to the Who Is Protected Under This Agreement section. This change broadens coverage.

**Elected or appointed officials and members.**

Any of your elected or appointed officials, directors, or executive officers, or members of any of your agencies, boards, or commissions, are protected persons:

- only for the conduct of their duties as your elected or appointed officials, directors, executive officers, or members; and
- only for the use of a covered auto.

**Volunteer workers.** Any volunteer worker of yours is a protected person for the use of a covered auto, but only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

**Owner of a commandeered auto.** The owner of a commandeered auto is a protected person while the commandeered auto is in your temporary care, custody, or control.

*Commandeered auto* means any auto that you commandeer, or take without permission, for the purpose of performing emergency operations, such as firefighting or law enforcement activities.

6. The following is added to the Mobile equipment definition in the What This Agreement Covers section. This change broadens coverage.

We'll consider any land motor vehicle, trailer, or semi-trailer you own or lease that's designed for use on public roads to be an auto and not mobile equipment. But only if we had considered such vehicle, trailer, or semi-trailer to be mobile equipment because:

- it wasn't required to be licensed because you're a government body; or
- it was used only on roads you own.

7. The following is added to the Intentional or expected bodily injury or property damage exclusion. This change broadens coverage.

But we won't apply this exclusion to intentional bodily injury or property damage that results from the use of reasonable force to protect people or property.

8. The following is added to the Exclusions - What This Agreement Won't Cover Section. This change excludes coverage.

**Health care professional services.** We won't cover bodily injury or property damage resulting from the performance of or failure to perform health care professional services.

*Health care professional services* includes:

- any dental, medical, mental, nursing, surgical, x-ray, or other health care professional service, including any advice, instruction, food, or beverage provided with such service;
- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

9. The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

**On-the-job-injury.** We won't cover injury to any volunteer firefighter or other volunteer worker of a protected person if the volunteer is injured while:

- using or maintaining a covered auto; or
- engaged in other volunteer firefighting, rescue squad, or ambulance activities of a protected person.

**Injury to fellow workers.** We won't cover injury to any protected person's fellow volunteer firefighters, rescue squad workers, or ambulance workers while such persons are acting within the scope of their duties.

However, we won't apply this exclusion if "Injury to fellow workers" is shown in the Coverage Summary.

#### **Other Terms**

All other terms of your policy remain the same.





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## AUTOS RENTED BY EMPLOYEES ENDORSEMENT

The **St Paul**

This endorsement changes your Auto Liability Protection and your Auto Physical Damage Protection.

### How Coverage Is Changed

There are two changes that are explained below. These changes broaden coverage.

1. The definition of hired autos in the Which Autos Are Covered section is changed as follows.

*Hired autos* means any auto that you hire, rent, lease, or borrow from others, other than your employees or members of their households. Hired autos includes any autos that any employee of yours hires, rents, leases, or borrows from others in that employee's name with your permission while performing duties related to the conduct of your business. We'll consider any auto that you lease for a period of 6 months or more to be an auto that you own. However any auto that has been rented, leased, hired, or borrowed with a driver is not a covered auto.

2. The following is added to the Who is Protected Under This Agreement section. This change applies to your Auto Liability Protection.

**Employees renting covered autos.** Any of your employees while operating a covered auto that has been rented, leased, hired, or borrowed from others in that employee's name with your permission while performing duties related to the conduct of your business.

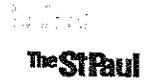
### Other Terms

All other terms of your policy remain the same.





**PUBLIC SECTOR SERVICES  
AUTO PHYSICAL DAMAGE AGREED VALUE ENDORSEMENT**



This endorsement changes your Auto Physical Damage Protection.

**How Coverage Is Changed**

For the vehicles listed below, the following replaces the What We'll Pay For A Loss section. This change broadens coverage.

**Other Terms**

All other terms of your policy remain the same.

**What We'll Pay For A Loss**

We'll pay the smaller of the following amounts when you suffer a covered loss:

- The cost of repairing damaged property or replacing damaged or stolen property with the same kind or quality;
- The cost to replace the damaged or stolen property with comparable new property as of the time of loss; or
- The limit of insurance shown below.

Vehicle Description	VIN	Limit of Insurance
1998 HME Fire Truck	44KT4287WWZ118856	\$185,000
2004 Pierce Pumper	4P1CT02A74A004189	\$198,000

<b>Name of Insured</b> CITY OF WILLIAMSTOWN	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
		<b>Processing Date</b> 10/12/04 09:27 001





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**UNINSURED AND UNDERINSURED MOTORISTS PROTECTION - WEST VIRGINIA**



We've designed this agreement to cover damages for bodily injury and property damage caused by an accident which the named insured or anyone else covered under this agreement are legally entitled to collect from the driver or owner of an uninsured or underinsured vehicle.

This agreement provides coverage for covered autos licensed or mainly garaged in West Virginia.

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		<p><i>Bodily injury</i> means any physical harm, including sickness or disease, to the physical health of other persons. It includes any of the following that results at any time from such physical harm, sickness or disease:</p> <ul style="list-style-type: none"> <li>• Mental anguish, injury or illness.</li> <li>• Emotional distress.</li> <li>• Care, loss of services, or death.</li> </ul> <p><i>Accident</i> means any event that results in bodily injury that the protected person didn't expect or intend to happen.</p> <p><i>Property damage</i> means</p> <ul style="list-style-type: none"> <li>• physical damage to tangible property of others, including loss of use of such property;</li> <li>• loss of use of tangible property of others that isn't physically damaged; or</li> <li>• any other property, other than an auto, owned by a protected person and located in West Virginia.</li> </ul>

We'll consider all loss of use of tangible property to happen at the time of the accident which caused it.

*An uninsured vehicle* is a land motor vehicle or trailer:

- for which there is no liability insurance policy or bond at the time of an accident that provides the minimum amounts of coverage required by the West Virginia Motor Vehicle Safety Responsibility Law;
- for which an insurance or bonding company legally denies coverage, becomes insolvent, or is placed into receivership; or
- which is a hit and run vehicle.

*A hit and run vehicle* is a land motor vehicle or trailer that causes injury or damage to a protected person and the owner or driver cannot be identified.

We'll cover such bodily injury or property damage whether or not the vehicle actually hits a protected person, a covered auto or an auto a protected person is in. If there's no physical contact, we'll accept only competent evidence to verify the accident other than testimony of any person having a claim under this or any similar coverage as a result of the accident.

However, we won't consider the following to be uninsured vehicles:

- vehicles designed for use mainly off public roads;
- vehicles that are operated by any self insurer under any applicable motor vehicle law. But this doesn't apply to a self insurer that becomes insolvent, and can't provide the amounts required by law; or
- vehicles that are owned by any unit of government.

*An underinsured vehicle* is a land motor vehicle or trailer for which the total of all liability policies or bonds at the time of an accident is not enough to pay the total amount a protected person is legally entitled to recover as damages as a result of the accident.

However, we won't consider the following to be underinsured vehicles:

- vehicles designed for use mainly off public roads;

- vehicles that are operated by any self insurer under any applicable motor vehicle law; or
- vehicles that are owned by any unit of government.

### Which Autos Are Covered

The Coverage Summary shows which autos are covered under this agreement.

*Auto* means any land motor vehicle, trailer or semi-trailer designed for travel on public streets or roads. It includes:

- any permanently attached machinery or equipment; and
- any mobile equipment only while it's being carried or towed by a covered auto.

**Scheduled autos.** If this is shown in the Coverage Summary, the autos listed in the Schedule are the covered autos at the time the agreement goes into effect.

*Auto* means any land motor vehicle, trailer or semi-trailer designed for travel on public streets or roads. It includes:

- any permanently attached machinery or equipment; and
- any mobile equipment only while it's being carried or towed by a covered auto.

*Mobile equipment* means any land vehicle that:

- is designed for use primarily off public streets or roads;
- is kept for use only on or next to premises the named insured owns, rents, or leases;
- travels on crawler treads;
- is kept primarily for the ready movement of permanently attached construction equipment; or
- doesn't travel under its own power and is kept primarily for the ready movement of permanently attached specialized equipment.

Mobile equipment includes any land vehicle not described above that's kept primarily for purposes other than carrying people or cargo. But we won't consider such a vehicle to be mobile equipment if it:

- travels under its own power;
- is operated like an auto during travel on a public street or road; and
- has permanently attached specialized equipment; or
- has permanently attached equipment designed for snow removal, street cleaning, or street or road maintenance - but not construction or resurfacing.

**Construction equipment** includes any grader, scraper, roller, power crane, shovel, loader, digger, or drill.

**Specialized equipment** means any:

- cherry picker or similar device used to lift workers;
- pump, generator or air compressor; or
- other equipment, such as building cleaning, geophysical exploration, lighting, spraying, welding or well-servicing equipment, that has a built-in pump, generator or air compressor.

**Autos the named insured acquires after this agreement goes into effect.**

- **Replacement autos.**  
The named insured can replace any auto on the Auto Schedule and we'll automatically cover its replacement for the same insurance. However, the named insured must tell us within 30 days after acquiring such autos that coverage is requested.
- **Newly acquired autos.**  
If we cover all of the named insured's owned autos, any additional autos the named insured acquires are also covered. However, the named insured must tell us within 30 days after acquiring such autos that coverage is requested.

**Any owned auto.** If this is shown in the Coverage Summary, we'll cover any auto that the named insured owns

**Autos required by law to be covered.** If this is shown in the Coverage Summary, all autos the named insured owns for which the state requires the named insured to provide Uninsured and Underinsured Motorists Coverage will be considered covered autos.

### When This Agreement Covers

We'll apply this agreement to damages for covered bodily injury or property damage while this agreement is in effect.

### Where This Agreement Covers

We'll cover damages only in the coverage territory for covered bodily injury or property damage that's caused by accidents which happen there.

**Coverage territory** means the United States of America, its territories and possessions, Puerto Rico and Canada. It includes international waters or airspace while a covered auto is being transported between any of the above places.

### Who Is Protected Under This Agreement

**Individual.** If the named insured is shown in the Introduction as an individual, the named insured and family members are protected persons.

**Family members** means persons who are related to an individual named insured by blood, marriage or adoption and live in such named insured's home. A ward or foster child who lives with the named insured is also considered to be a family member.

**Partnership, limited liability company, organization.** If the named insured is shown in the Introduction as a partnership, limited liability company, organization, or any other form of organization, then the following are protected persons:

- Anyone in or using a covered auto or temporary substitute for a covered auto; and
- Anyone for damages he or she is entitled to recover because of bodily injury to another protected person.

**Anyone else in a covered auto.** Anyone else while in or using an auto that's a covered auto or a temporary substitute auto is protected.

**In an auto** includes on the auto, getting in or out or off of it.



*Temporary substitute auto* means an auto used in place of a covered auto because:

- it was lost or destroyed;
- it broke down; or
- it's being serviced or repaired.

**Anyone entitled to collect damages.** We'll also cover anyone entitled to collect damages for bodily injury suffered by another protected person.

**Separation of protected persons.** This agreement applies:

- to each protected person named in the Introduction as if that protected person was the only one named there; and
- separately to each other protected person.

However, the limits of coverage shown in the Coverage Summary are shared by all protected persons. We explain how in the Limits Of Coverage section. Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of the named insured's policy.

### Limits Of Coverage

We'll consider all injury and damage caused by continuous or repeated exposure to basically the same conditions to be the result of one accident. Coverage under this agreement may be subject to a single limit or to split limits, depending on which is shown in the Coverage Summary.

**Single limit.** If a single limit is shown, it is the most we'll pay for all damages resulting from bodily injury or property damage caused by any one accident. This limit applies no matter how many covered autos or protected persons are involved or how many claims are made, premiums are paid, or vehicles are involved in an accident.

**Split limits.** If split limits are shown, three limits apply to the amount we'll pay. These limits apply no matter how many covered autos or protected persons are involved or

how many claims are made, premiums are paid, or vehicles are involved in an accident.

- Bodily injury to each person limit.
- Bodily injury in one accident limit.
- Property damage in one accident limit.

Here's an explanation of how these limits apply.

***Bodily injury to each person limit.*** This is the most we'll pay for bodily injury to one person arising out of an accident. This includes damages for care, loss of services or death that results from covered injury.

***Bodily injury in one accident limit.*** This is the most we'll pay for all bodily injury claims that result from any one accident. This includes damages for care, loss of services or death that results from covered injury.

***Property damage in one accident limit.*** This is the most we'll pay for all property damage claims that result from any one accident.

**Underinsured motorists limits.** If underinsured motorists protection applies, either a separate single limit or separate split limits will be shown in the Coverage Summary. The same rules that apply to Uninsured Motorists limits will apply to Underinsured Motorists limits of coverage.

**Limitations on amounts payable.** A protected person will never be allowed to collect more than once for the same loss.

For damages resulting from accidents involving underinsured vehicles, our payment begins only:

- after all other liability policies and bonds have been used up by payment of judgments or settlements; or
- after we are notified of a tentative settlement between the protected person and the insurer of an underinsured vehicle, if that settlement would use up the limits of coverage that apply to such policies or bonds, and pay the protected person the amount of that settlement within 30 days.

**Exclusions - Claims We Won't Cover**

**Unauthorized use.** We won't pay any claims that result if someone uses an auto without having a reasonable belief that he or she is entitled to use it.

**Workers' compensation.** We won't pay any claims for the direct or indirect benefit of another insurance company or self insurer because of workers' compensation, disability benefits or similar laws.

**Actions taken without our consent.** We won't cover any claim that is settled without our consent. But this exclusion doesn't apply to accidents involving underinsured vehicles.

**Property insurers.** We won't pay any claims for the direct or indirect benefit of any insurer of property.

**Property of protected persons.** We won't cover the first \$300 of the amount of property damage to the property of each protected person as a result of any one accident that's caused by an Uninsured vehicle.

**Punitive damages.** We won't cover punitive damages. This includes damages that are awarded by a court which exceed the actual damages that result, but are meant to be a punishment or to set an example.

**Other Insurance**

This agreement provides primary insurance for covered autos the named insured owns and excess insurance for those the named insured doesn't own. Excess insurance applies after other collectible uninsured and/or underinsured motorists insurance has been used up.

**Insurance written with another company.** When this agreement and other collectible uninsured and underinsured motorists insurance apply to a loss on the same primary or excess basis, we'll pay that portion of the loss equal to what our limit of coverage bears to the total available limits.

**Insurance written under another policy with our company.** When this agreement and other insurance written by us both apply to the

same loss the most we'll pay is the highest limit of coverage that applies under any one policy. When the other insurance written by us is intended to be excess over this agreement, this paragraph does not apply.

**Changes In General Rules****Recovering damages from a third party.**

The Recovering Damages From A Third Party Section of the General Rules is replaced by the following. But only for this agreement.

If we make a payment under this agreement and a protected person recovers all or part of the damages from someone else, he or she must hold the amount recovered in trust for us and return to us the amount we have paid.

But this doesn't apply to an accident involving a protected person and an underinsured vehicle if:

- we've been given prompt notice of a tentative settlement between a protected person and the insurer of an underinsured vehicle; and
- haven't, within 30 days, advanced payment to the protected payment in order to preserve our right of recovery against that insurer.

If we do receive notice of such settlement and pay the protected person the amount of the settlement within 30 days:

- that payment will be considered separate from any other amount the protected person is entitled to receive for uninsured or underinsured motorists protection; and
- we also have the right to recover the amount paid to the protected person from the insurer of the underinsured vehicle.

However, we only have these rights if the protected person has been fully compensated for damages.

**What To Do If You Have A Loss**

The When This Policy Includes Liability Coverage section is changed by adding the following.

Promptly notify the police if an unidentified driver hits the named insured or another

protected person and promptly send us copies of any legal papers if a suit is brought.

The named insured must also promptly notify us in writing if a tentative settlement has been reached between a protected

person and the insurer of an underinsured vehicle. Then we must be given 30 days to advance payment to the protected payment in order to preserve our right of recovery against that insurer.

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# WEST VIRGINIA AUTO MEDICAL PAYMENTS PROTECTION



We've designed this agreement to protect against certain medical expenses resulting from bodily injury in an accident, even if no legal liability is involved. Of course, there are some limitations which are explained later in this agreement.

This agreement provides coverage for Covered Autos licensed or mainly garaged in West Virginia. It also provides coverage for protected persons in West Virginia, in accordance with West Virginia law.

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What This Agreement Covers	1
<b>Which Autos Are Covered</b>	2
<b>Who Is Protected Under This Agreement</b>	2
<b>When This Agreement Covers</b>	3
<b>Where This Agreement Covers</b>	3
Limit Of Coverage	3
<b>Exclusions - What This Agreement Won't Cover</b>	3
Change in General Rules	4
<b>Other Insurance</b>	4

• Care, loss of services, or death.

*Accident* includes continuous or repeated exposure to the same conditions.

*Covered auto* means the type or types of autos shown in the Coverage Summary and described in the Which Autos Are Covered section.

*Auto* means any land motor vehicle, trailer or semi-trailer designed for travel on public streets or roads. It includes:

- any permanently attached machinery or equipment; and
- any mobile equipment only while it's being carried or towed by a covered auto.

*Mobile equipment* means any land vehicle that:

- is designed for use primarily off public streets or roads;
- is kept for use only on or next to premises you own, rent or lease;
- travels on crawler treads;
- is kept primarily for the ready movement of permanently attached construction equipment; or
- doesn't travel under its own power and is kept primarily for the ready movement of permanently attached specialized equipment.

## What This Agreement Covers

We'll pay the reasonable costs of necessary medical services for a protected person who suffers bodily injury in an accident while in or struck by a covered auto. If the injury results in death, we'll also pay the reasonable costs of funeral services. But we'll only pay costs for services rendered within three years following the date of the accident.

*Protected person* means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.

*Bodily injury* means any physical harm, including sickness or disease, to the physical health of other persons. It includes any of the following that results at any time from such physical harm, sickness or disease:

- Mental anguish, injury or illness.
- Emotional distress.

Mobile equipment includes any land vehicle not described above that's kept primarily for purposes other than carrying people or cargo. But we won't consider such a vehicle to be mobile equipment if it:

- travels under its own power;
- is operated like an auto during travel on a public street or road; and
- has permanently attached specialized equipment; or
- has permanently attached equipment designed for snow removal, street

cleaning, or street or road maintenance - but not construction or resurfacing.

**Construction equipment** includes any grader, scraper, roller and power crane, shovel, loader, digger, or drill.

**Specialized equipment** means any:

- cherry picker or similar device used to lift workers;
- pump, generator or air compressor; or
- other equipment, such as building cleaning, geophysical exploration, lighting, spraying, welding or well-servicing equipment, that has a built-in pump, generator or air compressor.

**In an auto** includes on the auto, getting in or out or off of it.

### Which Autos Are Covered

The Coverage Summary shows and the information in this section describes the type or types of autos which are covered autos.

**Any auto** means any owned, rented, leased or borrowed auto. It includes hired, nonowned, newly acquired, replacement and temporary substitute autos.

**Owned commercial autos** means any auto you own that isn't of the private passenger type. It includes any trailer or semi-trailer while attached to that auto. It also includes:

- newly acquired autos of the same type;
- replacement autos of the same type; and
- temporary substitute autos.

**Owned private passenger autos** means any auto you own that's of the private passenger type. It includes any trailer while attached to that auto. It also includes:

- newly acquired autos of the same type;
- replacement autos of the same type; and
- temporary substitute autos.

**Scheduled autos** means any auto you own that's described in the Auto Schedule. It includes any nonowned trailer while attached to a scheduled auto. It also includes:

- newly acquired autos, but only if we cover all of your owned autos and you tell us within 30 days after you acquire such autos that you want us to cover them;

- replacement autos if you tell us within 30 days after you acquire such autos that you want us to cover them; and
- temporary substitute autos.

**Hired autos** means any auto that you hire, rent, lease or borrow from others, other than your employees or members of their households. We'll consider any auto that you lease for a period of 6 months or more to be an auto that you own.

**Nonowned autos** means any auto that:

- you don't own, hire, rent, lease or borrow; and
- is used in the conduct of your business. It includes autos owned by your employees or partners or members of their households. But only while such autos are being used in the conduct of your business.

**Newly acquired autos** means any additional auto that you acquire while this agreement is in effect. We'll provide the same limit of coverage, and deductible, if any, to such autos as you have on similar types of autos, unless you tell us differently.

**Replacement autos** means any auto that replaces a covered auto. We'll provide the same limit of coverage, and deductible, if any, to such autos as you have for the covered auto being replaced, unless you tell us differently.

**Temporary substitute autos** means any auto not owned by you while it's being used, with permission of its owner, as a temporary substitute for a covered auto you own which can't be used because it:

- has broken down;
- has been damaged, destroyed or stolen; or
- is being repaired or serviced.

**Private passenger type** means ordinary private passenger cars, station wagons, pickups and vans.

### Who Is Protected Under This Agreement

**Individual.** You are protected. Also, if you are named in the Introduction as an individual, you and your Family members are protected persons while in or struck by an auto. This includes injury from an auto that doesn't actually hit you or the family member. However, if there's no physical



contact, we'll accept only competent evidence to verify the accident other than testimony of any person having a claim under this or any similar coverage as a result of the accident.

**Family members** means persons who are related to you by blood, marriage or adoption and live in your home. A ward or foster child who lives with you is also considered to be a family member.

**Anyone else in a covered auto.** Anyone else while in an auto that's a covered auto or a temporary substitute auto is protected.

**In an auto** includes on the auto, getting in or out or off of it.

**Temporary substitute auto** means an auto used in place of a covered auto because:

- it was lost or destroyed;
- it broke down; or
- it's being serviced or repaired.

**Separation of protected persons.** We'll apply this agreement:

- to each protected person named in the Introduction as if that protected person was the only one named there; and
- separately to each other protected person.

However, the limit of coverage shown in the Coverage Summary is shared by all protected persons. We explain how in the Limit Of Coverage section. Also, any right or duty specifically assigned to the first Named Insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

**When This Agreement Covers**

We'll apply this agreement to claims or suits for covered medical services while this agreement is in effect.

**Where This Agreement Covers**

We'll defend claims and suits, and pay judgments and settlements only in the coverage territory for covered bodily injury that's caused by accidents that happen in the coverage territory.

**Coverage territory** means the United States of America, its territories and possessions,

Puerto Rico and Canada. It includes international waters or airspace while a covered auto is being transported between any of the above places.

**Limit Of Coverage**

The Medical Payments limit shown in the Coverage Summary is the most we'll pay for medical and funeral expenses for each protected person as a result of bodily injury suffered in any one accident. The limit applies no matter how many protected persons or covered autos are involved or how many claims are made or premiums are paid.

We'll consider all bodily injury caused by continuous or repeated exposure to basically the same conditions to be the result of one accident.

No one will be entitled to receive duplicate payments for the same loss under this agreement, any auto liability insuring agreement, or any uninsured or underinsured motorists agreement.

**Exclusions - What This Agreement Won't Cover**

**Auto-related businesses.** We won't cover bodily injury to a protected person who is injured while he or she is working in a business of selling, servicing, repairing, storing or parking autos unless the business is yours.

**Autos that are premises.** We won't cover bodily injury to any protected person while he or she is in an auto that is located for use as a residence or a place of business, or other similar purpose. For example, you're not covered if you injure yourself while leaving a trailer where you live.

**Bodily injury from other than a covered auto.** We won't cover bodily injury to you or any family member while in or struck by any auto other than a covered auto.

**Family member's autos.** We won't cover you or a member of your family who is injured in or hit by an auto that belongs to, is furnished to, or is available for the regular use of you or any family member if that auto is not a covered auto.

**Racing or demolition contest.** We won't cover bodily injury, property damage or pollution cost or expense that results from the use of a covered auto in any organized racing or

demolition contest or stunting activity, or during practice for such contest or activity.

**Unauthorized use.** We won't cover a person who is injured while using an auto that he or she does not have permission to use.

**Your employees.** We won't cover any of your employees who are injured while they are working for you. There is one exception. We'll cover medical payments claims resulting from injuries to an employee who is a domestic worker, if not entitled to workers' compensation.

**War.** We won't cover a person who is injured as a result of war, declared or undeclared, invasion, civil war, rebellion or revolution.

### Changes in General Rules

The General Rule on "Recovering Damages From A Third Party" does not apply to this agreement.

### Other Insurance

This agreement is primary insurance for covered autos you own and excess insurance for those you don't own. Excess insurance applies after other collectible insurance has been used up.

**Insurance provided by another insurer.** When insurance provided by another insurer applies to covered medical services that result from an accident on the same primary or excess basis as this agreement, we'll pay only our share of the services. We'll pay the same proportion of such services that our limit is to the total of all applicable policy limits. But we won't pay more than our limit.

**Insurance provided under another policy with us or any of our member insurance companies.** When this agreement and other insurance contained in a policy from us or another member insurance company of The St. Paul Group both apply to the same accident, the most we will pay is the highest limit of coverage that applies under any one policy. When the other insurance written by us or the member insurance company is intended to be excess over this agreement, this section does not apply.

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**AUTO PHYSICAL DAMAGE PROTECTION**



This insuring agreement provides physical damage protection for covered autos. There are, of course, limitations and exclusions which apply to that protection. As a result, this agreement should be read carefully to determine the extent of the coverage provided to you.

<b>Table of Contents</b>	<b>Page</b>	<b><u>What This Agreement Covers</u></b>
<b>What This Agreement Covers</b>	1	We'll pay for loss to covered autos.
Comprehensive coverage.	1	
Collision coverage.	1	The types of coverage you have for each auto are shown in the Auto Schedule and described below. These coverages are subject to the limits and the deductibles that are shown in the Auto Schedule.
Specified causes of loss coverage.	2	
Towing.	2	
Transportation expenses.	2	
<b>Which Autos Are Covered</b>	2	
Owned commercial autos	2	<i>Auto</i> means any land motor vehicle, trailer or semi-trailer designed for travel on public streets or roads. It includes any permanently attached machinery or equipment.
Owned private passenger autos	2	
Scheduled autos	2	
Hired autos	2	
<b>When This Agreement Covers</b>	3	
<b>Where This Agreement Covers</b>	3	<i>Loss</i> means direct and accidental loss or damage.
<b>What We'll Pay For A Loss</b>	3	<i>Covered auto</i> means the type or types of autos shown in the Coverage Summary and described in the Which Autos Are Covered section.
<b>How We'll Pay</b>	3	
<b>Who We'll Pay For Loss</b>	3	<b>Comprehensive coverage.</b> When this coverage applies, we'll pay for loss to a covered auto from any cause of loss other than collision or overturn.
<b>Deductibles</b>	3	
<b>Exclusions - What This Agreement Won't Cover</b>	3	This coverage includes glass breakage. However, if glass breakage results from collision or overturn of the covered auto, you can make a claim for such breakage under Collision coverage, if that coverage applies to the damaged auto.
Audio devices and radar detection equipment.	3	
Intentional or expected loss or damage.	4	
Nuclear energy.	4	
Racing or demolition contest.	4	
Tires.	4	
Trailer interchange.	4	<b>Collision coverage.</b> When this coverage applies, we'll pay for loss to a covered auto that results from:
War.	4	<ul style="list-style-type: none"> <li>• the collision of the covered auto with another object; or</li> <li>• the overturn of the covered auto.</li> </ul>
Wear, freezing, breakdowns.	4	
<b>Insurance For Your Benefit</b>	4	
<b>Other Insurance</b>	4	However, if you carry Comprehensive coverage for the covered auto, and loss or damage results from the auto hitting a bird or animal, or a falling object striking the
Insurance provided by another insurer.	4	
Insurance provided under another policy with us or any of our member insurance companies.	4	

auto, we will pay for the loss under Comprehensive coverage, rather than under Collision coverage.

**Specified causes of loss coverage.** When this coverage applies, we'll pay for loss to a covered auto that results from:

- fire, lightning or explosion;
- windstorm, hail, flood or earthquake;
- theft;
- vandalism, mischief; or
- the sinking, burning, derailment or collision of a vehicle used to transport a covered auto.

**Towing.** When this coverage applies, and one of your covered private passenger type autos is disabled, we'll pay for towing and costs of other labor performed at the scene of the disablement. However, the most we'll pay for these costs is the Towing limit shown in the Auto Schedule for that auto.

*Private passenger type autos* mean ordinary private passenger cars, station wagons, pickups, and vans.

**Transportation expenses.** If a private passenger type auto for which you have Specified causes of loss or Comprehensive coverage is stolen, we'll pay up to \$20 a day incurred by you for your transportation costs while the auto is missing. We'll pay these costs for a period beginning 48 hours after the theft and continuing until we pay you for the loss of the auto or it is returned to use, even if that doesn't happen until after this agreement ends. But the most we'll pay for transportation costs arising out of the theft of any one auto is \$600.

### Which Autos Are Covered

The Coverage Summary shows, and the information in this section describes, the type or types of auto which are covered autos.

**Owned commercial autos** means any auto you own that is not of the private passenger type and it includes any trailer or semi-trailer while attached to that auto. It also includes:

- any newly acquired auto of the same type; or
- any replacement auto of the same type.

**Owned private passenger autos** means any auto you own that is of the private passenger type and it includes any trailer while attached to that auto. It also includes:

- any newly acquired auto of the same type; or
- any replacement auto of the same type.

**Scheduled autos** means any auto you own which is described in the Auto Schedule and replacement autos if you tell us within 30 days after you acquire such autos that you want us to cover them.

We'll also cover additional newly acquired autos, but only if:

- we cover all of your owned autos; and
- you tell us within 30 days after you acquire such autos that you want us to cover them.

**Hired autos** means any auto that you hire, rent, lease or borrow from others, other than your employees or members of their households. We'll consider any auto that you lease for a period of 6 months or more to be an auto that you own.

We'll pay for direct and accidental loss or damage to any rental autos and their equipment for which you've agreed to be responsible. However, we'll only pay for the kinds of loss or damage that you've agreed to be responsible for, including loss of use and other administrative expenses.

*Newly acquired autos* means any additional auto that you acquire while this agreement is in effect. We'll apply the same types of coverages and deductibles as you now have on similar type autos unless you tell us differently.

*Replacement autos* means any auto which replaces a covered auto. We'll apply the same types of coverage and deductibles as you now have on the auto that is being replaced unless you tell us differently.

**When This Agreement Covers**

We'll cover loss or damage that takes place while this agreement is in effect for covered autos.

**Where This Agreement Covers**

We'll cover loss or damage that takes place only in the coverage territory for covered autos.

*Coverage territory* means the United States of America, its territories and possessions, Puerto Rico and Canada. It includes international waters or airspace while a covered auto is being transported between any of the above places.

**What We'll Pay For A Loss**

We'll pay the smaller of the following amounts when you suffer a covered loss:

- The actual cash value (ACV) of the damaged or stolen property at the time of the loss.
- The stated amount shown in the Auto Schedule for the damaged or stolen property.
- The cost of repairing damaged property or replacing damaged or stolen property of the same kind or quality.

**How We'll Pay**

Once we've determined the amount of your loss, we'll choose one of the following ways to compensate you:

- We'll pay you in money.
- We'll repair damaged property or replace damaged or stolen property.
- We'll return stolen property to you, at our expense, and pay you for any damage to it that resulted from the theft, or
- We'll take all or part of the damaged or stolen property and pay you the agreed or appraised value for it.

**Who We'll Pay For Loss**

We'll adjust all covered losses with you. But if the Auto Schedule identifies a person or organization as also having an interest in a covered auto, we'll pay you and the person or organization named, based on the interest each has in the covered auto.

If we make a payment to such person or organization, we'll obtain their right to be repaid by anyone else.

**Deductibles**

The deductibles shown in the Coverage Summary or in the Auto Schedule under any of the coverages are the amounts that will be deducted from each loss to a covered auto. However, if a deductible amount is shown for Comprehensive coverage, it won't apply to a loss caused by fire or lightning.

We may pay all or part of your deductible to settle a claim. If we do, you agree to repay us as soon as we notify you of such payment.

**Exclusions - What This Agreement Won't Cover**

We won't cover any of the following losses except in the special circumstances described.

**Audio devices and radar detection equipment.**

We won't cover loss to any:

- tapes;
- records or discs;
- audio or visual equipment;
- data electronic devices;
- car phones; or
- any equipment that's designed or used for detecting or locating radar.

This exclusion also applies to any electronic equipment that receives or transmits audio, visual or data signals and is not designed solely for the reproduction of sound. It also applies to any accessories that are used with any of such equipment.

However, this exclusion does not apply to sound equipment that is permanently



installed in a covered auto at the time of the accident in the opening normally used by the auto manufacturer for the installation of a radio or similar sound equipment. This exclusion also does not apply to any electronic equipment that is necessary for the normal operation of the covered auto or the monitoring of the covered auto's operating system.

**Intentional or expected loss or damage.** We won't cover loss or damage that you expected or intended. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**Nuclear energy.** We won't cover loss that results from nuclear reaction, nuclear radiation, or radioactive contamination. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**Racing or demolition contest.** We won't cover loss to any covered auto that results from the use of that auto in any organized racing or demolition contest or stunting activity. This exclusion also applies to any practice or preparation for such contest or activity.

**Tires.** We won't cover loss to tires by blowout, puncture, or other road damage unless accompanied by another covered cause of loss.

**Trailer interchange.** We won't cover loss or damage to any covered auto or its equipment while someone else has possession of it under a written Trailer Interchange Agreement. This exclusion doesn't apply to a loss payee. However, if we pay the loss payee, you must reimburse us for our payment.

**War.** We won't cover loss or damage caused by:

- declared or undeclared war, or invasion;
- warlike action by a military force or other agents of any government, sovereign or other authority;
- civil war, insurrection, rebellion, revolution or seizure of power; or
- anything done to hinder or defend against these actions. This exclusion applies regardless of any other cause or event

that contributes concurrently or in any sequence to the loss.

**Wear, freezing, breakdowns.** We won't cover loss caused by normal wear and tear, freezing, or mechanical or electrical breakdown unless the loss results from a covered cause of loss.

### Insurance For Your Benefit

This insurance is for your benefit. No other party having possession of your auto, such as a transportation or storage company, can benefit directly or indirectly from this insurance.

### Other Insurance

This agreement is primary insurance for covered autos you own and excess insurance for covered autos you don't own. Excess insurance applies after other collectible insurance has been used up. If hired autos are covered by this agreement, they will be considered the same as covered autos you own. But this doesn't apply to autos that are hired along with a driver.

**Insurance provided by another insurer.** When loss covered by this agreement is also covered by insurance with another insurer on the same primary or excess basis, we'll pay our share of such loss. We'll pay that portion of the loss that's equal to our percentage of the total amount of insurance available. But we won't pay more than we would have paid without such other insurance.

**Insurance provided under another policy with us or any of our member insurance companies.** When this agreement and other insurance contained in a policy from us or another member insurance company of The St. Paul Group both apply to the same loss, the most we will pay is the highest amount available under any one policy. When the other insurance written by us or the member insurance company is intended to be excess over this agreement, this section does not apply.

**PUBLIC SECTOR SERVICES  
PUBLIC ENTITY AUTO PHYSICAL DAMAGE ENDORSEMENT**



This endorsement changes your Auto Physical Damage Protection.

**How Coverage Is Changed**

There are five changes which are explained below.

1. The following is added to the What This Agreement Covers section. This change broadens coverage.

**Airbags.** We'll pay up to \$1,000 to reset or replace the airbag in a covered auto you own if that airbag inflates. But only if:

- your Auto Schedule shows that Specified Causes of Loss or Collision coverage applies to the covered auto;
- the airbag is not covered under any warranty; and
- you did not intentionally cause the airbag to inflate.

We'll pay even if no Specified Cause of Loss or Collision occurs.

**Personal belongings.** If your Auto Schedule shows that Specified Causes of Loss or Comprehensive coverage applies to a covered auto you own and that auto is stolen, we'll pay for your personal belongings and the personal belongings of your employees if those personal belongings were stolen with the auto. The most we'll pay is the lesser of:

- the actual cash value of the stolen personal belongings at the time of loss; or
- the cost of repairing or replacing the stolen personal belongings with other property of the same kind and quality.

If the personal belongings are recovered with the stolen auto, but they were damaged in the auto theft, we'll pay the lesser of:

- the actual cash value of the stolen personal belongings at the time of loss; or
- the cost of repairing or replacing the stolen personal belongings with other property of the same kind and quality.

But the most we'll pay for all personal belongings in a stolen auto, regardless of the number of personal belongings stolen, is \$250.

The amount paid for personal belongings is excess over any other insurance available to you or your employees.

*Personal belongings* means tangible property that is worn or carried on a person. It does not include tools, jewelry, money, or securities.

2. The following is added to the Which Autos Are Covered section. This change broadens coverage.

**Commandeered autos** means any auto that you commandeer, or take with or without permission, for the purpose of performing emergency operations, such as firefighting or law enforcement activities.

Commandeered autos are not shown in the Coverage Summary.

3. The following is added to the first paragraph of the Deductibles section. This change broadens coverage.

Nor will we apply the deductible to a loss for window glass breakage to a private passenger type auto if such glass is repaired rather than replaced.

4. The following is added to the Audio devices and radar detection equipment

exclusion. This change broadens coverage.

We won't apply this exclusion to audio equipment or equipment that's designed or used for detecting or locating radar that is a part of the normal inventory of equipment in your emergency vehicles.

*Emergency vehicle* means an auto that is owned by a governmental entity, equipped with emergency equipment, and used for safety or public protection purposes such as police, fire, or ambulance department autos.

5. The following is added to the Intentional or expected loss or damage exclusion. This change broadens coverage.

But we won't apply this exclusion to loss or damage you expect or intend if it results from the use of reasonable force to protect people or property.

#### **Other Terms**

All other terms of your policy remain the same.

**GOVERNMENT CRIME PROTECTION COVERAGE SUMMARY**



This Coverage Summary shows the coverages and limits of coverage that apply to your Crime Protection.

**Coverages, Limits Of Coverage, And Deductibles**

Coverage applies only to those coverages indicated by  and when a limit of coverage is shown.

	Limit Of Coverage Per Crime Loss	Deductible Amount Per Crime Loss
<input checked="" type="checkbox"/> 1. Employee Theft - Per Loss	\$25,000	\$500
<input type="checkbox"/> 2. Employee Theft - Per Employee	\$	\$
<input checked="" type="checkbox"/> 3. Forgery Or Alteration	\$10,000	\$500
<input checked="" type="checkbox"/> 4. Loss Inside Your Building - Theft Of Money And Securities	\$2,000	\$500
<input checked="" type="checkbox"/> 5. Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property	\$2,000	\$500
<input checked="" type="checkbox"/> 6. Loss Outside Your Building	\$2,000	\$500
<input type="checkbox"/> 7. Computer Fraud	\$	\$
<input type="checkbox"/> 8. Funds Transfer Fraud	\$	\$
<input type="checkbox"/> 9. Money Orders And Counterfeit Paper Currency	\$	\$

Employee Benefit Plan(s) included as named insureds:

**Named Endorsement Table**

**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply. If so, they're listed on the Policy Forms List.

Faithful Performance of Duty Coverage Limit \$25,000

<b>Name of Insured</b>	<b>Policy Number</b> GP09313204	<b>Effective Date</b>
CITY OF WILLIAMSTOWN		<b>Processing Date</b> 10/12/04 09:27 001



**GOVERNMENT CRIME PROTECTION - DISCOVERY FORM**

We've designed this agreement to protect against a variety of losses. There are limitations and they are explained later in this agreement.

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**What This Agreement Covers**

There are nine coverages available in this agreement. The coverages, the limits of coverage, and other applicable terms and conditions that apply for the coverage you have selected are shown in the Coverage Summary.

## Property Covered

We'll only cover property:

- owned by any insured;
- leased by any insured;
- held for others by any insured; or
- for which any insured is legally liable except as indicated in the Exclusions - Losses We Won't cover section.

### 1. Employee Theft - Per Loss

We'll pay for loss of or damage to money, securities or other property resulting directly from theft by any of your employees, regardless of whether such employee is:

- identified; or
- acting alone or in collusion with others and only if there is evidence such employee meant to cause you loss. Such evidence must show that the employee intended they or another person or organization would obtain an unearned financial benefit from the theft.

We won't consider salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment to be unearned financial benefit from a theft.

*Theft* means the unlawful taking of money, securities, or other property from you.

*Money* means:

- currency, coins, and bank notes in current use and having a face value; and
- travelers checks, register checks and money orders held for sale to the public.

*Securities* means negotiable and nonnegotiable instruments or contracts representing either money or other property and includes:

- tokens, tickets, revenue and other stamps in current use, whether represented by actual stamps or unused value in a meter;
- evidences of debt issued in connection with credit or charge cards not issued by you; and
- checks that aren't travelers or register checks.

Securities does not include money.

*Other property* means any tangible property of intrinsic value other than money and securities.

*Employee* means a leased worker, temporary worker, consultant, intern or any person:

- in your service, and for 30 days after termination of such service;
- whom you compensate by salary, wages or commissions; and
- whom you have the right to direct and control while performing services for you.

We'll consider any individual who is:

- a trustee, officer, employee, administrator, or manager of any employee benefit plan covered under this agreement; and
- your official;

to be an employee while that person is handling money, securities, or other property of a covered employee benefit plan.

But we won't consider an administrator or manager of any covered employee benefit plan who is an independent contractor to be an employee.

*Leased worker* means any person who:

- you hire from an employee leasing firm under a contract or agreement between you and such firm; and
- is performing duties related to the conduct of your business.

Leased worker does not include a temporary worker.

*Employee leasing firm* means any person or organization that hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

*Temporary worker* means a person you hire to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions

and whom you have the right to direct and control while performing services for you.

But we won't consider any such person to be a leased worker while they have care and custody of property outside your building.

**Consultant** means any person, while such person is performing services for you, who:

- is no longer employed by you;
- was your employee, official, representative or trustee; and
- you've retained to provide professional advice to you.

**Intern** means any person who is a guest student, apprentice, or trainee pursuing studies or duties while under your direction and control. But we won't consider any such person to be an intern while having care and custody of property outside your building.

We won't consider any agent, independent contractor, or other similar representative to be an employee.

**Employee benefit plans.** If any employee benefit plan is listed in the Coverage Summary, we'll cover such employee benefit plan against loss of or damage to money, securities, or other property resulting directly from fraudulent or dishonest acts committed by an employee, whether such employee is:

- identified; or
- acting alone or in collusion with others.

**Employee benefit plan** means a welfare or pension benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (ERISA), or any of its amendments.

**More than one plan.** More than one employee benefit plan may be covered under this agreement. If two or more employee benefit plans are covered by this agreement, payment by us for loss:

- sustained by two or more of such employee benefit plans; or
- of money, securities, or other property commingled between two or more of such employee benefit plans

arising from one crime loss will be shared between the employee benefit plans that sustained such loss on a

proportionate basis. We'll calculate the proportion for each such employee benefit plan's payment under this agreement by comparing the limit of coverage that employee benefit plan is required to carry by ERISA regulation to the total of such required limits required by ERISA of all such employee benefit plans.

**Required limits.** An employee benefit plan may be jointly covered under this agreement with another organization. If so, you or the plan administrator must maintain a limit of coverage for each such plan that is at least equal to the limit that would be required if such plan were covered separately.

**Payment.** We'll pay the first named insured for covered losses sustained by any employee benefit plan. If the first named insured is not an employee benefit plan, that insured will hold such loss payment for the use and benefit of the employee benefit plan that sustained the covered loss.

No deductible applies to covered losses sustained by any employee benefit plan.

## 2. Employee Theft - Per Employee

We'll pay for loss of or damage to money, securities, or other property resulting from theft committed by each employee, regardless of whether such employee is:

- identified; or
- acting alone or in collusion with others and only if there is evidence such employee meant to cause you loss. Such evidence must show that the employee intended they or another person or organization would obtain an unearned financial benefit from the theft.

We won't consider salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment to be unearned financial benefit from a theft.

**Employee benefit plans.** If any employee benefit plan is listed in the Coverage Summary, we'll cover such employee benefit plan against loss of or damage to money, securities, or other property resulting directly from fraudulent or dishonest acts committed by an employee, whether such employee is:

- identified; or
- acting alone or in collusion with others.

**More than one plan.** More than one employee benefit plan may be covered under this agreement. If two or more employee benefit plans are covered by this agreement, payment by us for loss:

- sustained by two or more of such employee benefit plans; or
- of money, securities, or other property commingled between two or more of such employee benefit plans

arising from one crime loss will be shared between the employee benefit plans that sustained such loss on a proportionate basis. We'll calculate the proportion for each such employee benefit plan's payment under this agreement by comparing the limit of coverage that employee benefit plan is required to carry by ERISA regulation to the total of such required limits required by ERISA of all such employee benefit plans.

**Required limits.** An employee benefit plan may be jointly covered under this agreement with another organization. If so, you or the plan administrator must maintain a limit of coverage for each such plan that is at least equal to the limit that would be required if such plan were covered separately.

**Payment.** We'll pay the first named insured for covered losses sustained by any employee benefit plan. If the first named insured is not an employee benefit plan, that insured will hold such loss payment for the use and benefit of the employee benefit plan that sustained the covered loss.

No deductible applies to covered losses sustained by any employee benefit plan.

### 3. **Forgery Or Alteration**

We'll pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, or similar written promise, order, or direction to pay a specific amount of money that is:

- made or drawn by you;
  - drawn upon you;
  - made or drawn by someone acting as your agent; or
- claimed to have been so made or drawn.

**Forgery** means signing the name of another person or organization with intent to deceive. Forgery doesn't include signing one's own name with or without authority, in any capacity, for any purpose.

**Legal expenses.** You may refuse to pay a check, draft, promissory note, or similar written promise, order, or direction to pay a specific amount of money because you believe it may have been forged or altered. If you refuse payment on such written device, and you are sued for such refusal, we'll pay for reasonable legal expenses to defend that suit if we've given our prior written consent to the defense of such suit. The amount we'll pay for such legal defense expenses will be in addition to the limit of coverage for forgery and alteration.

### 4. **Loss Inside Your Building – Money And Securities**

We'll pay for loss of money and securities inside your building or inside a bank that results directly from theft, disappearance or destruction.

**Your building** means the interior of that portion of any building you occupy in conducting your business.

**Bank** means the interior of that portion of any building occupied by a banking institution or similar safe depository.

**Damage to your building, money or securities containers.** We'll pay for direct physical loss or damage to the inside or outside of your building that results directly from an actual or attempted theft of money and securities if you:

- own; or
- are liable for damage to your building.

We'll also pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer inside your building that results directly from actual or attempted theft of or unlawful entry into such containers.

### 5. **Loss Inside Your Building – Robbery Or Safe Burglary Of Other Property**

We'll pay for loss of or damage to other property that results directly from an actual or attempted robbery when such

other property is inside your building and:

- in your care and custody; or
- in the care and custody of any of your partners, members, or employees.

But we won't cover other property in the care and custody of any person acting as a security guard or janitor.

**Robbery** means any person taking property from the care and custody of another person by:

- causing or threatening to cause such other person bodily harm; or
- committing an obviously unlawful act witnessed by such other person.

**Member** means an owner of a limited liability company that's represented by its membership interest. A member may also serve as a manager.

**Security guard** means any person you engage solely to have care and custody of property inside your building and who has no other duties.

**Safe burglary inside your building.** We'll pay for loss of or damage to other property that results directly from actual or attempted safe burglary when such other property is:

- inside your building; and
- in a safe or vault.

**Damage to your building, safe, or vault.** We'll pay for direct physical loss or damage to the inside or outside of your building that results directly from an actual or attempted robbery or safe burglary of other property if you:

- own; or
- are liable for damage to your building.

We'll also pay for loss of or damage to a locked safe or vault that's inside your building when such loss or damage results directly from an actual or attempted robbery or safe burglary.

**Safe burglary** means unlawfully taking:

- property from a locked safe or vault by unlawfully entering such safe or vault and leaving evidence by marks on the exterior of such safe or vault of forcible entry; or

- a safe or vault from inside your building.

## 6. Loss Outside Your Building

We'll pay for loss of money and securities that results directly from theft, disappearance, or destruction when such property is outside your building and in the care and custody of:

- a messenger; or
- an armored motor vehicle company.

We'll also pay for loss of or damage to other property that results directly from an actual or attempted robbery when such other property is outside your building and in the care and custody of:

- a messenger; or
- an armored motor vehicle company.

But for any loss covered under this Loss Outside Your Building coverage, we'll only pay the amount of loss that you can't recover:

- under your contract with the armored motor vehicle company; and
- from any insurance carried by or on behalf of the armored motor vehicle company.

**Messenger** means you, or any of your employees while such individuals have care or custody of property outside of your building. Messenger does not include courier services.

## 7. Computer Fraud

We'll pay for loss of or damage to money, securities, and other property that results directly from computer fraud.

**Computer fraud** means using a computer to fraudulently transfer money, securities, or other property from inside your building or a bank to:

- a person, other than a messenger, outside your building or a bank; or
- a place outside your building or a bank.

## 8. Funds Transfer Fraud

We'll pay for loss of money and securities resulting directly from a fraudulent instruction that directs a financial institution to transfer, pay, or

deliver money and securities from your transfer account.

**Fraudulent instruction** means:

- an electronic instruction that claims to have been transmitted by you, but was fraudulently transmitted by someone else without your knowledge or consent;
- a written instruction, other than those described in the Forgery Or Alteration coverage section, that was issued by you and forged or altered by someone else without your knowledge or consent;
- a written instruction that claims to have been issued by you, but was fraudulently issued without your knowledge or consent; or
- an electronic or written instruction that you received and that claims to have been transmitted by an employee, but was fraudulently transmitted by someone else without your or the employee's knowledge or consent.

**Electronic instruction** includes any telegraphic, cable, teletype, telefacsimile, or telephone instruction.

**Transfer account** means an account maintained by you at a financial institution from which you can initiate the transfer, payment, or delivery of money and securities by means of:

- electronic instruction communicated directly through an electronic funds transfer system; or
- written instructions, other than those described in the Forgery Or Alteration coverage section establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

## 9. Money Orders And Counterfeit Paper Currency

We'll pay for your loss that results from your good faith acceptance of:

- money orders issued by any post office, express company, or bank that are not paid upon presentation; or
- counterfeit U.S. or Canadian paper currency that you acquire during the regular course of business

in exchange for merchandise, money, or services.

**Counterfeit** means an imitation of an actual valid original that is intended to deceive and be taken as the original.

## More Than One Insured

More than one person or organization may be covered under this agreement. If so, the first named insured on the Introduction page of this policy will act for all other insureds. If the first named insured is no longer covered by this agreement, the second insured named on the Introduction page will act for all other insureds.

We'll consider knowledge of information relevant to this agreement of any insured, or any insured's official, to be knowledge of every insured.

We'll consider an employee of any insured to be an employee of every insured.

Even if more than one insured sustains loss, we won't pay more than the amount we would have paid if the entire loss had been sustained by one insured.

## When This Agreement Covers - Discovery

We'll pay for covered loss you sustain from acts committed or events occurring at any time that is discovered by you:

- while this agreement is in effect; or
- during the extended discovery period.

We'll consider a loss to be discovered when you first become aware of facts that would cause a reasonable person to assume that a loss covered under this agreement has been or will be incurred, even though you may not know the exact amount or details of the loss.

We'll also consider a loss to be discovered when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this insuring agreement.

If this agreement or any of its coverages is canceled or terminated as to any insured, loss sustained by that insured is covered only if discovered by you prior to the expiration of the earlier of the following:

- 60 days from the effective date of cancellation or termination of this agreement as to that insured; or

- immediately upon the effective date of insurance obtained by that insured to replace all or part of the coverage provided by this agreement, whether or not such replacement insurance provides coverage for loss sustained prior to its effective date.

*Extended discovery period* means the period of time during which you may discover loss that you sustained before the effective date of cancellation or termination of this agreement. Such period of time will not be longer than:

- 60 days from the effective date of cancellation or termination of this agreement; or
- for employee benefit plans, 1 year from the effective date of termination or cancellation of this agreement

provided that you report the claim to us during this extended discovery period.

The extended discovery period ends immediately on the effective date of any insurance you obtain to replace all or part of the coverage provided by this agreement whether or not such replacement insurance provides coverage for loss sustained prior to its effective date.

### Where We'll Cover

We'll cover acts committed or loss or damage that occurs in the coverage territory.

*Coverage territory* means the United States of America, including its territories and possessions, Puerto Rico, and Canada.

If you purchased Employee Theft - Per Loss coverage, or Employee Theft - Per Employee coverage, then for that coverage, we'll also cover acts committed by employees while they are outside the coverage territory up to 90 days. *For example*, a three week business trip to Europe.

If you purchased Forgery Or Alteration coverage or Computer Fraud coverage, then for those coverages, we'll cover loss you sustain anywhere in the world.

### Limits Of Coverage

The most we'll pay for loss or damage in any one crime loss is the applicable limit of coverage shown in the Coverage Summary.

If two or more coverages of this agreement apply to the same crime loss, we'll pay the lesser of the:

- actual amount of loss; or
- sum of the limits of the applicable coverages.

The limits of coverage can't be accumulated from year to year, no matter how long this agreement is in effect or how many premiums you pay.

*Crime loss* means with respect to all coverages in this agreement other than Employee Theft Per Loss, Employee Theft Per Employee, and Forgery Or Alteration coverages:

- an act or series of related acts involving one or more persons; or
- an act, event, or series of related acts or events not involving any person.

With respect to Employee Theft-Per Loss coverage, crime loss means all loss caused by or involving one or more employee, whether such loss is the result of a single act or series of acts.

With respect to Employee Theft-Per Employee coverage crime loss means all loss caused by each employee, whether such loss is the result of a single act or series of acts.

With respect to Forgery Or Alteration coverage, crime loss means all loss caused by any person, in which that person is involved regardless of whether such loss involves one or more instruments.

### Exclusions - Losses We Won't Cover

When we use the word loss in this section we also mean damage.

**Accounting errors.** We won't cover any loss resulting from accounting or mathematical errors or omissions.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage; and
- Loss Outside Your Building coverage.

**Bonded employees.** We won't cover loss caused by any employee required by law to be individually bonded.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to Employee Theft - Per Loss coverage and Employee Theft - Per Employee coverage.

**Computer fraud.** We won't cover loss resulting from the use of a computer to fraudulently cause a transfer of money, securities, or other property.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to Funds Transfer Fraud coverage.

**Dishonesty.** We won't cover loss resulting from theft or any other dishonest or criminal act committed by you, or any of your officials, employees, or authorized representatives, whether acting alone or in collusion with others.

We also won't cover loss resulting from theft or any other dishonest or criminal act committed by any of your employees, officials or authorized representatives:

- acting alone or in collusion with others; or
- whether in connection with performing services for you.

However, this exclusion doesn't apply to Employee Theft - Per Loss coverage and Employee Theft - Per Employee coverage.

**Employees cancelled under prior insurance.** We won't cover loss caused by any employee for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to Employee Theft - Per Loss coverage and Employee Theft - Per Employee coverage.

**Exchange.** We won't cover loss that results from giving or surrendering property in any exchange or purchase.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage;
- Loss Outside Your Building coverage; and

- Computer Fraud coverage.

**Fire.** We won't cover loss that results from fire regardless of how it was caused. But this exclusion won't apply to:

- loss from damage to a safe or vault; or
- loss of or damage to money and securities.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage; and
- Loss Outside Your Building coverage.

**Funds transfer fraud.** We won't cover loss resulting from a fraudulent instruction directing a financial institution to transfer, pay, or deliver money or securities from your transfer account.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to Computer Fraud coverage.

**Governmental action.** We won't cover loss that results from the seizure or destruction of property by order of governmental authority.

**Indirect loss.** We won't cover loss that is an indirect result of any act or crime loss covered by this agreement, including loss resulting from:

- your inability to realize income that you would have realized if there had been no loss of or damage to money, securities, or other property;
- payment of damages of any type for which you are legally liable other than compensatory damages arising directly from a loss covered under this agreement; or
- payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this agreement.

**Inventory shortages.** We won't cover loss or that part of any loss for which proof of existence or amount is dependent on:

- an inventory computation; or
- a profit and loss computation.

However, once you establish that you have sustained a loss without reliance on such

computations, we'll consider your inventory records and actual physical count of inventory in support of the amount of your loss.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Employee Theft - Per Loss coverage;
- Employee Theft - Per Employee coverage; and
- Computer Fraud coverage.

**Legal expenses.** We won't cover expenses related to any legal action.

However, this exclusion doesn't apply to Forgery or Alteration coverage.

**Money operated devices.** We won't cover loss of property in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in such device.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage; and
- Loss Outside Your Building coverage.

**Motor vehicles or equipment and accessories.** We won't cover loss to motor vehicles, trailers, semi-trailers, or equipment and accessories attached to them.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage; and
- Loss Outside Your Building coverage.

**Nuclear.** We won't cover loss that results from nuclear reaction, nuclear radiation, radioactive contamination, or any related act or incident.

**Trading.** We won't cover loss that results directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to

Employee Theft - Per Loss coverage and  
Employee Theft - Per Employee coverage.

**Transfer or surrender of property.** We won't cover loss to property after it's been transferred or surrendered to a person or place outside your building or a bank:

- on the basis of unauthorized instructions;
- as a result of a threat to do bodily harm to any person; or
- as a result of a threat to do damage to any property.

But this exclusion won't apply to loss of money, securities, or other property that is outside your building in the care and custody of a messenger if you:

- had no knowledge of any threat at the time the conveyance began; or
- had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage; and
- Loss Outside Your Building coverage.

**Treasurers or tax collectors.** We won't cover loss caused by any treasurer or tax collector by whatever name known.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to Employee Theft - Per Loss coverage and Employee Theft - Per Employee coverage.

**Vandalism.** We won't cover loss from damage to your building, its exterior or to any safe, vault, cash register, cash box, cash drawer, or other property by vandalism or malicious mischief.

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage; and
- Loss Outside Your Building coverage.

**Voluntary parting.** We won't cover loss that results from you or anyone acting on your behalf voluntarily giving up title to or

possession of any property to someone who obtains it by trick, device, false pretense, or other dishonest act.

For example:

*Someone impersonating a messenger tricks you to entrust him with your daily deposits. The deposits are never made. We won't cover this loss.*

Unless otherwise stated elsewhere in this agreement, this exclusion only applies to:

- Loss Inside Your Building - Money And Securities coverage;
- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage;
- Loss Outside Your Building coverage; and
- Computer Fraud coverage.

**War and similar actions.** We won't cover loss that results from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

### Rules For Loss Adjustment

The following special rules apply for setting a value on money, securities, other property, and your building for the payment of any losses covered under this agreement. Such payments will be subject to the applicable limit of coverage shown in the Coverage Summary.

If you agree, we can settle any claim for loss of property with the owner. Any property we pay for or replace will become ours. We may choose to pay for loss of or damage to property other than money:

- in the money of the country in which the loss occurred; or
- in the United States of America dollar equivalent of the money of the country in which the loss occurred, determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was discovered.

**Money.** We'll pay for loss of money up to and including its face value.

We may choose to pay for loss of money issued by any country other than the United States of America:

- at face value in the money issued by that country; or

- in the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was discovered.

**Securities.** We'll pay for loss of securities up to and including their value at the close of business on the day the loss was discovered. We may, at our option do any of the following:

- Pay the value of such securities.
- Replace them with similar or equivalent securities. But you must assign to us all your rights, title, and interest in and to any securities we replace.
- Pay the cost of any lost securities bond required in connection with issuing duplicates of such securities. But the most we'll pay is the cost of a bond that has a penalty not more than the value of the securities at the close of business on the day the loss was discovered, or the applicable limit of coverage, whichever is less.

But regardless of the option we choose, we won't pay more than the applicable limit of coverage.

**Other property or your building.** We'll pay for loss of or damage to other property or direct physical loss or damage to your building, the cost to repair or replace such damaged property without deduction for depreciation. But we won't pay more than the smallest of the following:

- The amount you actually spend repairing or replacing the lost or damaged property.
- The amount it would cost to replace the lost or damaged property at the time of the loss with that of a similar kind and quality and used for the same purpose.
- The limit of coverage that applies to the lost or damaged property.

We will not pay on a replacement cost basis for any loss or damage:

- until the lost or damaged property is actually repaired or replaced; and
- unless the repairs or replacement are made as soon as reasonably possible after the loss.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

**Other insurance.** If insurance under a separate policy applies to loss covered

under this agreement, we won't make any payments until the other insurance is used up. We'll pay the amount of your loss covered under this agreement, less the applicable deductible, that's left after the separate policy has been used up. But we won't pay more than the applicable limit of coverage under this agreement. Coverage under this agreement will not apply to the deductible amount of more specific insurance.

**Insurance provided under any other policy written by us or any of our affiliated insurance companies.** When this agreement and any other insuring agreement in any policy written by us or any of our affiliated insurance companies apply to the same loss, the most we'll pay for covered losses is the highest limit of coverage that applies under any one of those agreements.

However, this section does not apply if the other insuring agreement that applies is excess insurance, that you bought specifically to apply in excess of the limits of coverage that apply under this agreement.

### Deductible

The deductible is shown in the Coverage Summary. We won't pay for loss in any one crime loss unless the amount of such loss exceeds the deductible. We'll then pay the amount of covered loss over the deductible, up to the limits of the applicable coverage. If more than one deductible applies to any one loss, we'll pay the amount of covered loss over the highest deductible amount up to the limits of the applicable coverage.

If you purchased Forgery Or Alteration coverage, no deductible applies to legal expenses covered under that coverage.

If you purchased Employee Theft - Per Loss coverage or Employee Theft - Per Employee coverage under which any employee benefit plan is covered, no deductible applies to covered losses sustained by those employee benefit plans under such coverage.

### Other Rules

**Bonds for faithful performance.** We'll indemnify any of your officials who are required by law to give individual bonds for the faithful performance of their duties against loss through theft committed by

employees who serve under them, subject to the applicable limit of insurance.

Unless otherwise stated elsewhere in this agreement, this rule only applies to Employee Theft - Per Loss coverage and Employee Theft - Per Employee coverage.

**Cancellation.** The following is added to the Cancellation section of the General Rules.

**Employees.** Any crime coverage is cancelled with respect to any employee who commits any fraudulent or dishonest act immediately upon the discovery of such act by:

- you; or
- any official or employee whom you authorize to manage, govern or control your employees who is not involved in such fraudulent or dishonest act even if the act was committed before such employee was employed by you.

Coverage with respect to such employee ends immediately and without further notice from us.

We can also cancel coverage with respect to any employee for any reason by mailing or delivering notice of such cancellation to you at least 30 days before the effective date of the cancellation.

Proof of mailing this notice to you at the address shown on the Introduction page will be proof you were notified of the cancellation.

**Electronic and mechanical signatures.** We'll treat signatures that are produced or reproduced electronically, mechanically or by other similar means the same as handwritten signatures.

Unless otherwise stated elsewhere in this agreement, this rule only applies to Forgery Or Alteration Coverage.

**Insurance for your benefit.** This insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss under this agreement must be made by you.

**Lawsuits against us.** The following replaces the If your policy provides property or other first-party protection section of the Lawsuits Against Us section of the General Rules, but only for this agreement.



**If your policy provides property or other first-party protection.** Any suit to recover on a loss under your policy must begin within the later of the following:

- Two years after the date on which the loss or damage occurred;
- Two years after the date on which you discover the loss or damage if such discovery was within any extended discovery period that applies.

**Property with limited coverage – manuscripts.**

We'll only pay up to \$5,000 in any one crime loss for all loss of or damage to manuscripts, drawings, or records of any kind. This includes the cost of reconstructing them or reproducing any information contained in them.

Unless otherwise stated elsewhere in this agreement, this rule only applies to:

- Loss Inside Your Building - Robbery Or Safe Burglary Of Other Property coverage;
- Loss Outside Your Building coverage; and
- Computer Fraud coverage.

This limit is part of, and not in addition to, the applicable limit of coverage.

**Records.** You must keep records of all property covered under this agreement so we can verify the amount of any loss.

**Records required for Forgery Or Alteration coverage.** You must keep all checks, drafts, promissory notes, or other similar written promises, orders, or directions, and records of such items that are involved in or related to a loss for which you seek coverage. If this isn't possible, we'll need your affidavit setting forth the amount and cause of loss.

Unless otherwise stated elsewhere in this agreement, this rule only applies to Forgery Or Alteration coverage.

**Recovering damages.** The following paragraphs replace the Recovering Damages From A Third Party section of the General Rules, but only for this insuring agreement.

You may be able to recover all or part of your loss from someone other than us. Because of this, you must do all you can to preserve any rights of recovery you may have. If we make a payment for your loss under this agreement, your right of recovery will belong to us.

We'll distribute any recovery made after settlement of loss covered by this agreement, less the cost of obtaining such recovery:

- to you up to a maximum reimbursement of the applicable limit of coverage less any applicable deductible;
- then to us, up to the amount of loss we paid;
- then to you, for reimbursement of any applicable deductible.

But, this doesn't include recovery:

- from insurance, suretyship, reinsurance, security, or indemnity taken for our benefit; or
- of original securities after duplicates of them have been issued.

# FAITHFUL PERFORMANCE OF DUTY COVERAGE ENDORSEMENT - GOVERNMENT EMPLOYEES



This endorsement changes your Government Crime Protection insuring agreement.

## How Coverage Is Changed

There are five changes that are explained below. These changes apply to either:

- Employee Theft - Per Loss coverage; or
- Employee Theft - Per Employee coverage depending on which of those coverages you purchased, which will be indicated in the Coverage Summary.

1. The following is added to either the Employee Theft - Per Loss coverage, or the Employee Theft - Per Employee coverage in the What This Agreement Covers section.

**Faithful performance of duties.** We'll also pay for loss of or damage to money, securities, or other property resulting directly from the failure of any employee to faithfully perform their duties as directed by law, when such failure directly and immediately results in loss to such covered property.

2. The following is added to the Limits Of Coverage section.

**Faithful performance of duty limit.** The most we'll pay for loss under the Employee Theft - Per Loss coverage or Employee Theft - Per Employee coverage for covered loss or damage that results directly from the failure of an employee to faithfully perform their duties in any one crime loss is the applicable limit of coverage shown in the Coverage Summary. This limit is part of, and not in addition to, the applicable Employee Theft limit of coverage.

3. The following exclusions are added to the Exclusions - Losses We Won't Cover section. This change excludes coverage.

**Depository failure.** We won't cover loss resulting from the bankruptcy or insolvency of any entity acting as a depository for your property or property for which you're responsible.

Unless otherwise specified in this agreement, this exclusion only applies the to Employee Theft - Per Loss coverage, or the Employee Theft - Per Employee coverages.

**Law enforcement activity.** We won't cover loss that results from the failure to perform law enforcement activities or operations.

Unless otherwise specified in this agreement, this exclusion only applies the to Employee Theft - Per Loss coverage, or the Employee Theft - Per Employee coverages.

**Law enforcement activities or operations** means any of the official activities or operations of your police department, sheriff agency, or other public safety organization which enforces the law and protects persons or property.

**Violation of civil rights and tortious conduct.** We won't cover damages for which you are legally liable that result from:

- the deprivation or violation of the civil rights of any person by an employee; or
- the tortious conduct of an employee other than the conversion of property of other parties held by you in any capacity.

**Tortious conduct** means conduct for which liability would be imposed by law without any contract or agreement.

4. The following is added to the Employees paragraph of Cancellation in the Other Rules section.

With respect to Faithful Performance Of Duties in the Employee Theft - Per Loss coverage, or the Employee Theft - Per Employee coverage, such coverage is cancelled with respect to any employee who commits an act that would be covered under that coverage immediately upon the discovery of such act by:



- you; or
- any official or employee whom you authorize to manage, govern or control your employees who is not involved in such act.

Coverage with respect to such employee ends immediately even if the act was committed before they were employed by you.

5. The following replaces Bonds for faithful performance in the Other Rules section.

**Bonds for faithful performance.** We'll indemnify any of your officials who are required by law to give individual bonds for the faithful performance of their duties against loss resulting from the

failure of any employee under the supervision of that official to faithfully perform their duties as prescribed by law. But we'll only indemnify such officials when such failure immediately and directly results in a loss otherwise payable under this coverage. Such indemnification is subject to the limit of insurance for this coverage shown in the Coverage Summary.

Unless otherwise stated elsewhere in this agreement, this rule only applies to the Faithful Performance Of Duty coverage.

#### **Other Terms**

All other terms of your policy remain the same.

# CLOSING MEMORANDUM

**To:**           **Financing Team**

**From:**       **John C. Stump, Esquire**

**Date:**       **June 2, 2005**

**Re:**           **The City of Williamstown Sewer Revenue Bonds, Series 2005 A**  
                  **(West Virginia SRF Program)**

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1.    **DISBURSEMENTS TO THE CITY OF WILLIAMSTOWN**

Payor:	West Virginia Department of Environmental Protection
Amount:	\$11,514
Form:	Check
Payee:	The City of Williamstown
Contact:	Rosalie Brodersen - (304) 926-0499, ext. 1608
Account:	Series 2005 A Bonds Construction Trust Fund

05/04/05  
976720.00002



City Hall  
100 West Fifth Street



Phone  
(304) 375-7761

WILLIAMSTOWN, WEST VIRGINIA  
26187-1597

May 26, 2005

RE: Sewer Revenue Bonds Series 2005, WV SRF Program

Stephoe & Johnson, PLLC  
Attn: Karrie Mattox, Legal Assistant  
Bank One Center, Eighth Floor  
P.O. Box 1588  
Charleston, WV 25326-1588

Dear Karrie:

Enclosed please find a copy of two deposits totaling \$45,347.28, which were deposited into the Construction Account.

Thank you,

A handwritten signature in cursive script that reads "Susan".

Susan Knopp  
City Clerk

Enclosure (1)





*Celebrate the USA!*

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**THIS IS YOUR RECEIPT**

CHECKING     SAVINGS     LOANS

THE BANK SYMBOL, TRANSACTION NUMBER, DATE AND AMOUNT OF YOUR DEPOSIT ARE SHOWN BELOW.

484148#

416TWNB1108 516056059D

\$82.28 d

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.



*Celebrate the USA!*

© 1991 GFS



**THIS IS YOUR RECEIPT**

CHECKING     SAVINGS     LOANS

THE BANK SYMBOL, TRANSACTION NUMBER, DATE AND AMOUNT OF YOUR DEPOSIT ARE SHOWN BELOW.

484148#

021 WNB 830 523051862

\$45265.00 D

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

RESERVED FOR BANK USE

021 WNB 830 523051862D \$45265.00 D

TO THE CREDIT OF  
 City of Williamstown  
 Davis School Building Fund

ACCT NO. 484148

May 20 2005

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL  
 ALL DEPOSITS CREDITED SUBJECT TO FINAL PAYMENT  
 ENDORSE ALL PAPERS AND LIST SEPARATELY

CURRENCY	
SILVER CHECKS AS FOLLOWS:	45265.00
TOTAL \$	45265.00

SEE THAT ALL CHECKS AND DRAFTS ARE ENDORSED



**State of West Virginia  
WATER DEVELOPMENT AUTHORITY**

180 Association Drive, Charleston, WV 25311-1217  
(304) 558-3612 - (304) 558-0299 (Fax)  
Internet: www.wvda.org - Email: contact@wvda.org

**BOND CLOSING ATTENDANCE LIST**

Date June 2, 2005 Time 10:00 a.m. LGA City of Williamstown Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Franki Parsons	Jackson Kelly PLLC	340-1283	340-1080	frankp@jacksonkelly.com
Bernie Yonussily	WV WDA	558-3612	558-0299	byonussily@wv.wda.org
Shamir Gee	Jackson Kelly PLLC	340.1318	340.1080	sggee@jacksonkelly.com
John Stump	Stephens + Johnson PLLC	553.8196	353.8181	stump@stephens-johnson.com
Ashley Sipe	Stephens + Johnson PLLC	556-8281	" "	sipe@stephens-johnson.com
Karrie Mattox	Stephens + Johnson PLLC	580-8257	353-9181	mattoxkm@stephens-johnson.com
Doug Oldi	WV WDA	558-8612 x1608	558-0299	doldi@wvda.org
Rose Brodersen	WV DEP - SRF	9260499	9260496	rbrodersen@wrdep.org

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Susan Knopp, City Clerk Telephone 375-7761 E-Mail \_\_\_\_\_

Address 100 West Fifth Street, Williamstown, West Virginia 26187

REMINER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the Non-Arbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

