

WEST VIRGINIA CODE: §13-2A-12

§13-2A-12. Duties of public body and officers as to bonds and rights of bondholders.

In order that the payment of the refunding bonds, and interest thereon, shall be adequately secured, any public body issuing refunding bonds pursuant to this article and the proper officers, agents and employees thereof, are hereby directed, and it shall be the mandatory duty of such public body and such officers, agents and employees under this article, and it shall further be of the essence of the contract of such public body with the bondholders, at all times:

To pay or cause to be paid punctually the principal of every refunding bond, and the interest thereon, on the date or dates and at the place or places and in the manner and out of the funds mentioned in such refunding bonds and in the coupons thereto appertaining and in accordance with the resolution authorizing their issuance;

To operate the enterprise in an efficient and economical manner and to establish, levy, maintain and collect such fees, tolls, rentals, rates and other charges in connection therewith as may be necessary or proper, which said fees, tolls, rates, rentals and other charges shall be at least sufficient, after making due and reasonable allowances for contingencies and for a margin or error in the estimates, to pay all current expenses of operation, and maintenance of such enterprise; to pay the interest on and principal of the refunding bonds as the same shall become due and payable; to comply in all respects with the terms of the resolution or resolutions authorizing the issuance of refunding bonds or any other contract or agreement with the holders of the refunding bonds; and to meet any other obligations of the public body which are charges, liens, or encumbrances upon the revenues of such enterprise;

To operate, maintain, preserve and keep, or cause to be operated, maintained, preserved and kept, the enterprise and every part and parcel thereof, in good repair, working order and condition;

To preserve and protect the security of the refunding bonds and the rights of the holders thereof, and to warrant and defend such rights against all claims and demands of all persons whomsoever;

To pay and discharge, or cause to be paid or discharged, any and all lawful claims for labor, materials and supplies, which, if unpaid, might by law become a lien or charge upon the revenues or any part thereof, prior or superior to the lien of the refunding bonds, or which might impair the security of the refunding bonds, to the end that the priority and security of the refunding bonds shall be fully preserved and protected;

To hold in trust the revenues pledged to the payment of the refunding bonds for the benefit of the holders of the refunding bonds and to apply such revenues only as provided by the

resolution or resolutions authorizing the issuance of the refunding bonds, or, if such resolution or resolutions shall thereafter be modified in the manner provided therein or herein, only as provided in such resolution or resolutions as modified;

To keep proper books of record and accounts of the enterprise (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the enterprise or any part thereof, and which, together with all other books and papers of the public body, shall at all times be subject to the inspection of the holder or holders of not less than ten percent of the refunding bonds then outstanding, or his or their representatives duly authorized in writing.

None of the foregoing duties shall be construed to require the expenditure in any manner or for any purpose by the public body of any funds other than revenues received or receivable from the enterprise.