WEST VIRGINIA CODE: §13-2A-7

§13-2A-7. Sale or exchange; deposit and investment of proceeds.

The refunding bonds may be sold or exchanged in installments at different times, or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds may be exchanged in part or sold in part in installments at different times or at one time. The refunding bonds may be sold or exchanged at any time on, before, or after the maturity of any of the outstanding notes, bonds, certificates or other obligations to be refinanced thereby.

If the governing body determines to exchange any refunding bonds, such refunding bonds may be exchanged privately for and in payment and discharge of any of the outstanding notes, bonds or other obligations of the public body issued to finance or to aid in financing the acquisition, the construction, the improving, the refinancing, or the improving and refinancing, of an enterprise. The refunding bonds may be exchanged for a like or greater principal amount of such notes, bonds or other obligations of the public body, except that the principal amount of the refunding bonds may exceed the principal amount of such outstanding notes, bonds, or other obligations to the extent necessary or advisable, in the discretion of the governing body, to fund interest in arrears or about to become due. The holder or holders of such outstanding notes, bonds, or other obligations need not pay accrued interest on the refunding bonds to be delivered in exchange therefor if, and to the extent that interest is due or accrued and unpaid on such outstanding notes, bonds, or other obligations to be surrendered.

If the governing body determines to sell any refunding bonds, such refunding bonds shall be sold at public sale, after advertisement in Bond Buyers Guide, or the Wall Street Journal, once a week for two weeks prior to date of sale, as the governing body shall deem best for the interests of the public body. Such refunding bonds may be sold in any aggregate principal sum including the principal amount outstanding of the revenue obligations of the public body being refinanced, interest in arrears and interest accrued and to accrue on such revenue obligations until payment or redemption thereof, any redemption premiums applicable to such revenue obligations, any costs of improving the enterprise, the revenues of which were pledged to the payment of such revenue obligations, and of acquiring, constructing and improving any other enterprise and the costs of issuing such refunding bonds. The proceeds of sale of the refinancing portion of a refunding bond issue shall be deposited irrevocably in trust for the purchase, redemption prior to maturity or payment at maturity of the revenue obligations being refinanced, such purchase to be at a price not exceeding the par value of such revenue obligations plus accrued interest at the time of such purchase. Such proceeds while so deposited in trust shall be invested in direct obligations of the United States of America or placed in time deposits secured by direct obligations of the United States of America, and maturing at such times and in such amounts as shall be necessary to meet payments of principal and interest on such revenue obligations being

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refinanced or to redeem the same prior to the maturities thereof. Such investments may be sold at not less than the amount paid therefor, and such deposits may be withdrawn, to the extent necessary to provide moneys for the purchase of any of such revenue obligations. Earnings from such investments shall, as received, be transferred to and deposited in the sinking fund reserve or the bond and interest sinking fund established for payment of the refunding bonds.

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